



Banca del Fucino

1923 | 2023



2025 ANNUAL REPORT

BANCA DEL FUCINO
IGEA BANK BANKING GROUP
CONSOLIDATED FINANCIAL
STATEMENTS AS AT
31 DECEMBER 2025



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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 Luco dei Marsi - Offices	Via Duca degli Abruzzi 87/89	67056
Agency Pescara	Corso Umberto I 104	65127
Agency Pescara - Offices	Piazza della Rinascita 33	65127
Agency Sulmona	Piazza Giuseppe Capograssi 1	67039
Agency Sulmona - Offices	Via Giovanni XXIII 38/40	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 D - Offices	Via Pietro Bonfante 56/58	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
Uffici BIAE - IGEA Bank Banking Group	Via Dottor Sandro Totti 12/d	60131
Sicily		
Company name	Address	Postal code
Agency Catania	Via Vincenzo Giuffrida 11	95128
Agency Catania - Offices	Via Vincenzo Giuffrida 1/3/5	98128
Bronte - Offices	Corso Umberto I 300	95034
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

NOTICE OF SHAREHOLDERS' MEETINGS

The Shareholders of Banca del Fucino S.p.A. are hereby convened to attend an Ordinary General Meeting at the Company's registered office, located in Rome, Via Tomacelli No. 107, on first call on 30 April 2026 at 11:50 p.m. and, if necessary, on second call at the same location on 14 May 2026 at 11:00 a.m., to discuss and resolve upon the following agenda.

AGENDA

1. Presentation and approval of the Financial Statements for the year ended 31 December 2025, following consideration of the Board of Directors' Report on Operations, the Board of Statutory Auditors' Report and the Independent Auditors' Report;
2. Presentation of the Consolidated Financial Statements as at 31 December 2025 and of the Independent Auditors' Report;
3. Remuneration and incentive policies of the Igea Banca Banking Group and related disclosures;
4. Any other business.

Shareholders may be represented at the Meeting by proxy granted in accordance with Article 2372 of the Italian Civil Code. The proxy form must be accompanied by a valid identity document of both the principal and the proxy holder.

This notice is also published on the Company's website at www.bancafucino.it in the "Institutional Website" section, accessible via the following path: "Investor Relations → Corporate Documents".

The Company provides facilities for remote participation through audio and video conferencing systems, in accordance with Article 18, paragraph 2, of the Articles of Association. A shareholder - or their appointed proxy - wishing to use the above-mentioned participation systems may request the relevant access credentials at the following email address: igeabanca@legalmail.it.

Rome, 14 April 2026

The Chairman of the Board of Directors

Signed Prof. Mauro Masi

REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS OF THE
IGEA BANCA GROUP



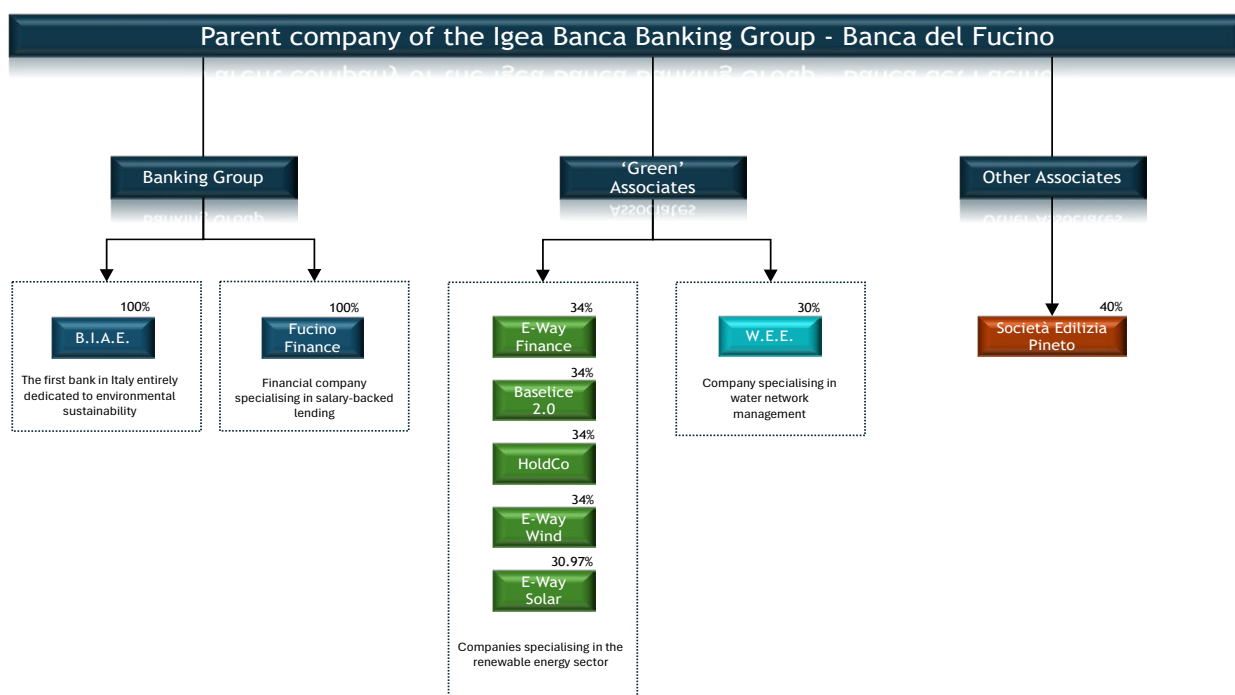
DIRECTORS' REPORT ON CONSOLIDATED OPERATIONS

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 Banking¹: a commercial network serving customers;
- Private Banking: tradition and innovation in wealth management;
- 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. Within the Group, the following entities have been established: Fucino Finance S.p.A., a financial intermediary authorised pursuant to Article 106, operating in the employee lending segment (salary-backed loans (CQS), end-of-service benefits (TFS), etc.), and Banca Italiana per l’Ambiente e per l’Energia (BIAE), the first Italian bank fully dedicated to environmental sustainability and the energy transition. Below is a summary representation of the Group (hereinafter also “the Group” or “the Banking Group”) as at 31 December 2025.



¹ Following the dissolution of the Investment Banking Division in July 2024, the reallocation of the Factoring and Tax Credits Department to the Corporate Division (within Commercial Banking) was approved.



CORPORATE BODIES OF THE PARENT COMPANY

During 2025, there were no changes in the Parent Company's corporate bodies.



The economic context²

THE INTERNATIONAL LANDSCAPE

Global trends

According to the IMF's January 2026 projections, global GDP grew by 3.3% in 2025, maintaining the same pace as in the previous year. Economic growth in advanced economies eased marginally, declining from 1.8% in 2024 to 1.7% in 2025, largely reflecting weaker performance in the United States that was not entirely balanced by stronger growth in Europe and Japan. In contrast, developing economies experienced a modest uptick in growth, rising from 4.3% to 4.4%. These are noteworthy results, given the macroeconomic turbulence that characterised 2025. The central theme of the year was undoubtedly US trade policy: the Trump administration significantly stepped up the tariff policy launched during the first term (2017-2020), raising the average tariff on US imports to levels not seen since the 1930s. This shift was pursued through repeated announcements, denials and postponements, resulting in a situation of high uncertainty in the markets. In this context, the very positive performance of precious metals - gold and silver first and foremost - traditional safe-haven assets, is unsurprising: over the year, the price of gold rose by around 67.6% (+29% in 2024) while silver rose by more than 145%, driven by growing demand for industrial purposes and a desire to diversify away from gold. By contrast, the dollar lost between 10% and 15% against the main international currencies, falling for the first time in more than 20 years below the 40% threshold of central banks' reserves. High international uncertainty - exacerbated, moreover, by the continuation of wars and geopolitical tensions - made the path of interest rate reductions launched in 2024 by the major central banks more complex. The Federal Reserve only resumed cutting policy rates in September 2025 after as many as nine months on hold; the ECB, on the other hand, has kept rates unchanged at the same level since June. Inflation, at the same time, broadly maintained the downward trajectory embarked upon in the previous two-year period, declining from 2.6% to 2.5% in advanced economies and from 7.9% to 5.2% in developing economies. International trade proved notably resilient, with global trade in goods and services rising by 4.1% in 2025, half a percentage point more than in 2024. In other words, despite significant forces pushing towards new patterns of international trade, the forces at play have so far proved insufficient to overcome the inertia of the supply chains that have become established over recent decades.

² Data available as at 13 February 2026

The United States

In 2025, the US economy recorded annual growth of 2.1%, down from 2.8% in 2024 (Source: IMF). The largest contribution to GDP growth came from consumption, supported in particular by the strong performance of the financial market (the S&P500 up +16.4%) and by contained inflation dynamics. Investment also made a substantial contribution, growing mainly on the back of the momentum provided by the big tech firms, engaged in building new data centres for AI training. As regards foreign trade, US exports benefited from the depreciation of the dollar and - paradoxically - from fears linked to the tightening of trade policy: worldwide, importing companies stepped up their stockpiling purchases, leading to high volatility in trade data and, overall, global trade growth above expectations. The US trade balance nevertheless remained heavily in deficit (USD 56.8 billion in November 2025). Despite fears of a sharp deterioration in the labour market, it remained broadly robust. The unemployment rate, in fact, remained at modest levels - never above 4.5%. In the second half of the year, however, the pace of new job creation slowed significantly, recording negative month-on-month changes in June and October. In short, 2025 saw the US labour market enter a condition described as “low hire, low fire”: excluding the major technology companies - cutting other costs to make room in their budgets for investment in data centres and AI - US businesses did not significantly reduce their headcount while at the same time avoiding increasing it. On the price front, US inflation remained below 3% throughout the year, and therefore did not break away from the levels reached in the second half of 2024. This outcome surprised several analysts, who had expected an acceleration in price dynamics as a result of the trade policies enacted by the Trump administration. Since this acceleration did not materialise, tariffs must be considered to have been absorbed by importing companies, without the additional costs being fully passed on to the final price for consumers. Key to the strong performance of the US economy in 2025 was the ability of the financial markets to recover after the slump recorded in April following Trump’s announcement of the first large-scale programme of trade tariffs (“Liberation Day”, 2 April). The S&P500 thus broke its previous market capitalisation records again this year, posting annual growth of 16.4%; the Nasdaq-100 also performed strongly, up 20%, while the Russell-2000 index - more closely linked to the performance of the real economy - contracted (-0.3%).

The expression “K-Shaped Economy” is particularly suited to describing the state of the US economy in 2025: while stock indices continue to rise and investment by companies in the AI ecosystem continues to increase, it is now almost exclusively the consumption of the wealthiest 20% of the country that is expanding, while the rest is stagnating or contracting. Meanwhile, the structural problems of the national economy persist - first and foremost the current account deficit and the public budget deficit. In this regard, it is sufficient to note that the public debt-to-GDP ratio has not fallen consistently below 120% since the outbreak of the Covid-19 pandemic.

China

In 2025, the Chinese economy experienced an expansion of 5%, hitting the target set at the beginning of the previous year. Excluding a progressive slowdown quarter by quarter - from 5.4% in Q1 to 4.5% in Q4 - China maintained a robust growth trajectory.

The main contribution to GDP growth came from consumption (public and private), followed by net exports and finally investment, whose performance is still affected by the property crisis that broke out in 2022 and by local governments' choice to prioritise debt management over new infrastructure or productive investment. The trade balance set a new record, with a surplus of USD 1.2 trillion, the highest ever achieved, despite the trade war with the US. Industrial production also grew steadily and strongly, recording year-on-year expansion rates never below 4.8% throughout 2025. Retail sales, on the other hand, were more subdued than in the previous year, as their performance was affected by the removal or reduction of consumer stimuli and bonuses introduced towards the end of 2024; in December 2025 their year-on-year growth rate stood at 0.9%, sharply down from the peak of 6.4% reached in May of the same year.

The relative weakness of private consumption continued to be reflected in price dynamics: inflation was negative for half of the months of the year, then embarked on a growth trajectory - albeit remaining at modest levels - in the final quarter. In December, the year-on-year change figure stood at 0.8%. The subdued price dynamics in China are also driven by the high level of competition that characterises several sectors of domestic manufacturing, a phenomenon sometimes known as “Neijuan” (usually translated as “involution”). What surprised several analysts in 2025 was, in particular, the robustness shown by the Chinese economy in the face of the challenge posed by the trade war with the US. This is the result of a strategy that the country's leadership has been pursuing for some years now and that intensified over the course of 2025. Overall, this strategy can be described as having three parts:

1. Diversification of export destinations. Chinese exports to the US declined year on year throughout the second half of 2025. By contrast, sales increased in Europe and, above all, in ASEAN countries, Africa and Latin America, markets that are increasingly important for China's exports;
2. Technological progress. China is currently engaged in a process of profound technological modernisation of its production system, with the aim of moving up global value chains and leaving behind its status as a middle-income economy. It is no coincidence that exports of high-technology products - such as semiconductors or other advanced electronics - recorded some of the highest expansion rates in the year just ended. Among the technologies on which China's leadership is currently focusing most is AI, one of the cornerstones of the new 2026-2030 Five-Year Plan, announced in 2025;
3. Development of domestic consumption. To respond effectively to the threat of trade tariffs, China is aware that it must reduce the role of exports as a driver of growth for its economy. To do so, however, it is necessary to develop domestic demand, specifically in the form of private consumption. On this front, progress has so far been modest.

2025 was a positive year for Chinese stock markets, with the country's main indices continuing the price growth already experienced in 2024. The CSI300 thus recorded an annual return of 17.66%, while the Hang Seng posted 27.8%. Both indices therefore improved their performance compared with the previous year.

Advanced economies

In reviewing some of the major non-EU advanced economies, the IMF estimates a growth of 1.4% for the UK in 2025 (Source: IMF), strengthening from the previous year (+1.1%). The performance of the country's main stock market index was very positive, with a return of 20% in one year. The situation of the UK economy nonetheless remains complex, with significant risks emerging, for example, from a state budget under pressure.

After contracting in 2024, Japanese GDP returned to growth in 2025, recording +1.1% year on year (Source: IMF). The performance of the Nikkei 225 was also very positive, up 26%, driven in particular by expectations of new fiscal stimulus from the Takaichi government. However, this stimulus risks having undesirable effects on the extremely high national public debt, which is already under close scrutiny due to the historic interest rate increase initiated by the Bank of Japan from 2024 onwards. Finally, Canada's GDP recorded an expansion of 1.6%, slightly down from 2% in the previous year. Australia's growth, on the other hand, strengthened by almost one percentage point - from 1.0% to 1.9%.

Emerging markets and developing economies

On the emerging markets front, with regard to the Asian region, the strongest growth among the major economies was recorded by India, which posted an increase of 7.3%, exceeding the already notable 6.5% recorded in 2024. The performance of India's main stock index, the Nifty 50, was positive but not outstanding, rising by about 10% in one year. Growth in ASEAN countries was robust but slowing, at 4.2% compared with 4.6% in the previous year. Among these countries, Vietnam's performance was excellent, with its GDP growing by 8% in one year. The Russian economy faced a fourth consecutive year of war, growing by 0.6%, much less than in 2024, when growth was 4.3%. In the Middle East, it is worth highlighting the acceleration in Saudi Arabia's GDP, with the expansion rate rising from 2.6% in 2024 to 4.3% in 2025.

Turning to Latin America, Brazil's growth was 2.5% (3.4% the previous year) and Mexico's 0.6% (1.4% in 2024). After two years of recession, Argentina's economy returned to positive territory, at +4.5% (from -1.3%).

Finally, briefly considering the African continent, South Africa's growth performance strengthened from 0.5% in 2024 to 1.3% in 2025. Nigeria also experienced a slight acceleration, with growth of 4.2% in the past year compared with 4.1% in the previous year.

EURO AREA

Growth

2025 saw a partial recovery in European growth, after two years of anaemic growth. GDP in the Euro area countries recorded an expansion of 1.5%, a better figure than +0.9% in 2024 but still modest (Source: Eurostat). Among the major economies in the area, Spain in particular pushed the aggregate European figure upwards. Spanish growth in 2025 in fact stood at 2.8%, with the main contribution coming from domestic demand, while net external demand made a negative contribution. This was not so much due to a disappointing export performance, but above all to the high import growth rate (6.3% versus 3.4% for exports).

In 2025 the German economy returned to modest expansion (+0.2%), after two years of recession. The recovery was driven mainly by consumption - both private and public - while investment in fixed assets remained in contraction. A negative contribution came from the trade balance, which saw the surplus shrink due to a slight contraction in exports (-0.3%) against robust growth in imports (+3.6%). In the second half of the year, encouraging signs emerged in terms of industrial production, which returned to expanding year on year in July, October and November. However, these signs still appear insufficient to speak of a robust recovery in German growth. Major public investment in infrastructure and defence was repeatedly announced throughout 2025 by the governing coalition, but the macroeconomic effects still appear modest.

The situation of the French economy remains complex, albeit improving. GDP growth strengthened quarter by quarter, rising from +0.6% in Q1 to +1.1% in Q4 (Source: Eurostat) and totalling +0.9% overall in 2025 (Source: IMF). However, the central problem for the French economy remains the public deficit, which stood at 5.4% in 2025 - well above the European target of 3%. Only in February 2026 did the government manage to have the 2026 public spending plans approved, under which the state deficit is nonetheless expected to be around 5%. Despite these difficulties, yields on the French 10-year bond remained virtually unchanged over the year, fluctuating around 3.4% for most months.

Inflation

On the inflation front, price growth in the Euro area remained close to the ECB's 2% target value, fluctuating between a high of 2.5% (in January) and a low of 1.9% (May). However, significant divergences in inflation rates continue to be recorded among the various member countries. In the second half of the year, Spain's inflation rate repeatedly reached or exceeded the 3% threshold, in line with more robust economic expansion. This was different in France, where, due in particular to anaemic growth, the annual rate of price increases was below 1% for almost all of 2025. Germany's situation was different again, grappling with inflation that does not seem able to remain below 2% for more than two consecutive months. Overall, however - also aided by the relative strength of the euro against the main international currencies, the US dollar first and foremost - in 2025 the Euro area saw fears of inflation returning to levels even close to those recorded in the 2022-23 two-year period, diminish considerably. If anything, there is now the opposite risk, namely inflation that is too low, a sign of anaemic economic growth.

Labour market

In 2025 too, labour markets in the Euro area countries proved resilient. The overall unemployment rate remained virtually unchanged, fluctuating throughout the year between 6.2% and 6.3%. In December, the number of unemployed people fell slightly compared with the same month in 2024 (-0.2%). Among the major European economies, France and, above all, Germany showed slightly rising unemployment rates. In Germany's case, the number of unemployed people in December was up 9.4% compared with the same month in 2024. As for the situation in France, the unemployment rate rose from 7.3% to 7.7% between January and December 2025 and the number of people seeking work increased by 7.2% over the same period. The situation in Spain was more clearly positive, however, with 2025 seeing both the unemployment rate fall - from 10.9% in the first month of the year to 10% in the last - and the number of unemployed people decrease (-5.1%), albeit from levels well above those of the other major European economies.

Financial market

2025 was an excellent year for European stock markets. The Euro Stoxx 50 index posted an annual return of 22.1%, the best since 2021, moreover after two consecutive years of growth. The index's performance was driven upwards mainly by defence, banking and high-tech stocks, while more traditional sectors of the European economies - from fashion to automotive - saw their prices fall or move sideways. As regards the main national indices, the Cac40 saw a marked improvement in performance compared with 2024, when the index had fallen by 2.1%. In 2025, by contrast, growth of 10.4% was recorded, allowing a recovery to the levels seen at the start of 2024. It was another year of solid expansion for Frankfurt's Dax, which in 2025 recorded a return of 23%, after an already very positive 2024 (+18.85%), driven in particular by technology stocks (Siemens Energy, +139%) and defence stocks (Rheinmetall, +154%).

ITALY

Growth

In 2025, the Italian economy grew at the same modest pace as in the previous two years, posting expansion of 0.7%. As in 2024, moreover, GDP growth was supported entirely by domestic demand, while the contribution of net external demand was negative. Consumption and investment were the main support for the Italian economy: the former - whose contribution to year-on-year GDP growth was 0.6% in Q3 (latest data available) - benefited from a more dynamic labour market than in the past and average real wages rising year on year. The latter - with an even greater contribution, amounting to 1.1% - benefited from projects linked to the PNRR (National Recovery and Resilience Plan) as well as an initial, tentative recovery in private purchases of machinery and equipment. The negative contribution of net external demand, by contrast, stemmed from the fact that in 2025 imports grew at a faster pace than exports, resulting in a reduction in the trade surplus compared with the previous year. The trade balance nonetheless remained firmly in positive territory, except in January. In any case, the complex situation of domestic industry cannot yet be considered resolved: it is certainly true that 2025 saw - after more than two years - Italian industrial production return to posting positive year-on-year changes, especially in November and December (respectively +1.4% and +3.2%). At the same time, 2021 production levels have yet to be regained.

Inflation

As in 2024, last year saw Italian inflation remain consistently below the ECB target of 2%, fluctuating between a high of 1.9% (in March and April) and a low of 1.1% (in December). Overall, therefore, in Italy's case a downward trajectory in annual price growth is clearly visible, particularly in the second half of the year and without reaching levels dangerously close to zero. At the same time, there is no shortage of product categories where significant inflation rates were recorded, primarily food products and services: while in the case of the latter, inflation continued to hover around 3% throughout the year, for food price growth peaked at 3.7% in August, falling towards 2% in the subsequent months. These are expenditure items capable of significantly affecting household consumption. In any event, growth in the general price index in 2025 remained below growth in average wages, which were up 2.8% year on year in November, from 3.8% in January.

Labour market

In addition to the rise in real wages, domestic consumption was also supported by the good performance of the labour market in 2025. Although at a slower pace than in previous years, unemployment fell and employment increased. Specifically, the unemployment rate fell from 6.4% in January to 5.6% in December and the number of unemployed people decreased by around 14%. The decline was seen across all age groups, although unemployment remains far more common among the youngest segments of the population - with unemployment rates still above 10%. Employment, by contrast, increased slightly, continuing the favourable trend seen in recent years. Between December 2024 and the same month in 2025, total employment grew by 0.3%, a figure resulting, on the one hand, from the sharp decrease in employees on fixed-term contracts (-9.3%) and, on the other, from the increase in workers on permanent contracts (+1%) and the self-employed (+2.9%). On an annual basis, however, the number of inactive people also increased, with growth between December 2024 and December 2025 amounting to 1.3%.

Public finance

2025 was a positive year for Italian public finances. According to the estimates - the latest drawn up in autumn 2025 - by the European Commission, Italy's public deficit is expected to stand at 3% of GDP. This allows Italy to exit the group of European countries under observation for excessive deficits, a group that currently includes France. In the second and third quarters of the year, moreover, the primary balance of the Italian public budget was positive, a result that confirms a trend already seen in 2024. It is therefore no surprise that several of the major international rating agencies - from S&P Global to Fitch - have "promoted" Italy, with improved ratings and outlooks. This in turn contributed to the almost halving of the 10-year BTP-Bund spread over the course of the year: while in December 2024 the spread was around 115 bp, by December 2025 it had fallen to 60. Despite these positive results, however, the debt-to-GDP ratio remained at high levels and is expected to stand at 136.4% in 2025, up from 134.9% in 2024. Due mainly to the current modest levels of growth, it will be necessary to wait until 2027 - according to the assessment of the major economic forecasting agencies - to see Italy's debt-to-GDP ratio begin to decline.



Financial market

2025 was a record year for the Italian stock market. The FTSE MIB index delivered an annual return of 31.5%, driven in particular by banking stocks (BPER +89.11%, UniCredit +84.09%) and defence (Leonardo +89.6%). Further downward corrections, by contrast, were seen in stocks linked to the automotive sector, with Stellantis losing almost a quarter of its market capitalisation (-24.9%) and Ferrari more than a fifth (-22.7%).

Excellent results were also recorded by the FTSE Italia All Share, which rose by around 30%, like the FTSE MIB. The FTSE Italia Growth index also returned to growth, posting +8% in 2025 after two years of declines. Positive returns were also recorded in the STAR segment (+9.3%), which, however, remains some way from the market capitalisation peaks reached in 2022.

CENTRAL BANKS

While 2024 saw the start of interest rate cuts by the major global central banks, the increased uncertainty that characterised 2025 made the monetary easing process more uneven than initially expected. After taking policy rates to 4.25-4.50% in December 2024, the Federal Reserve left the situation unchanged for as many as nine months. Alongside concerns about an excessive weakening of the labour market, fears have also emerged regarding the inflationary impact of the tariffs imposed by Trump on the US economy, prompting monetary authorities to revise their plans for monetary easing. This decision, moreover, led over the course of the year to repeated clashes between the Fed and the Presidency, thereby contributing to further weaken market confidence in the US currency. In September, nonetheless, cuts to the Federal Funds Rate resumed, with an overall reduction of 75 basis points between September and December 2025. At present, US official rates stand at 3.50-3.75% and uncertainty remains high regarding their future movements. The ECB's monetary policy in 2025 was more straightforward. While remaining sparing with information on the future path of rates in the euro area, the ECB continued, without significant interruptions, along the monetary policy easing path launched in 2024. Official rates were thus brought from 3.0-3.15% at the beginning of 2025 to 2.0-2.15% in June, a level from which they have not moved to date. European monetary authorities believe that rates have thus been brought to a broadly neutral level, ideal for preventing a resurgence of inflation while not stifling growth. This is consistent with price growth having fallen to 2% in several of the area's major economies as well as with GDP growth that appears to be in a recovery phase. The relative strength of the euro as well - despite the interest rate differential between the two sides of the Atlantic - helped reassure the ECB that inflation had been brought back under control. 2025 was also a year of monetary policy easing for the Bank of England, which brought policy rates down from 4.5% in December 2024 to 3.75% in the same month of 2025. Today, therefore, UK rates are at a level closer to US rates than to those in the euro area, reflecting an inflation scenario more similar to that across the Atlantic.

The People's Bank of China, China's central bank, also eased its monetary policy, lowering the Loan Prime Rate from 3.10% to 3.00% in May: a modest change but one that appears to leave room in 2026 for more decisive action by the monetary authorities to stimulate economic growth and support the recovery of domestic consumer confidence. By contrast, the Bank of Japan continued in 2025 along the path of raising policy rates that began in 2024, after years of rates close to zero or negative. Japanese rates were thus raised from 0.25% at the beginning of the year to 0.75% in December in response to inflation that remained above 3% throughout

the first half of the year and above 2% in the second. It is likely that this shift in Japanese monetary policy could have significant consequences for international markets: in recent years, Japan has become a hub for carry trade with the US but a substantial rise in rates could call this established pattern into question - as partly already happened, for example, in August 2024. More generally, Japan's return to positive rates will lead investors to look at this market with renewed interest, to the detriment of others, above all the US.

NATIONAL BANKING

2025 was another successful year for the Italian banking sector. Despite the decline in reference rates, these remain positive in real terms and therefore continue to support the contribution of net interest income within total operating income. Lower rates also meant a greater willingness on the part of customers to take out loans with banks, both among households and, above all, among businesses.

Funding

As regards funding costs (calculated on outstanding balances), these fell across all the main funding items. Against a 100 bp reduction in the ECB's deposit facility rate, the largest decrease was recorded for deposits with agreed maturity, whose rate fell by 62 bp between January 2025 and December of the same year, from 3.14% to 2.52%. The decline in repo rates was also significant - 53 bp - falling from 2.2% to 1.67% over 12 months, albeit with notable volatility during the year. Rates on current account deposits also declined - but to a lesser extent - (-12 bp, from 0.41% to 0.29%), especially in the corporate segment (-21 bp; households: -10 bp). The fall in rates on household deposits with agreed maturity was more marked, at 23 bp. By contrast, the rate on bonds (calculated on outstanding balances) was broadly stable, at around 2.4% both at the beginning and at the end of the year, albeit with considerable volatility over the months. In March 2025, total bank funding returned to year-on-year growth. The pace of growth increased progressively, reaching 5.62% in December. This growth was driven above all by current account deposits, which benefited from the reduced attractiveness of deposits with agreed maturity as a way of protecting savings from inflation. The bond component remains on an expansionary path, showing growth rates far lower than in the previous year but still significant (2.8% in December).

Lending

Against a reduction in policy rates of 100 bp (the same as in 2024), bank lending rates fell less than in the previous year. Looking at rates on new business, the largest reduction concerned loans to businesses of more than €1 million, with a 57 bp decrease in the rate, from 3.86% in January 2025 to 3.29% in December of the same year. A similar change was seen for loans of the same type but for a lower amount (< €1 million): a 50 bp reduction, from 4.66% to 4.16%. In the case of credit granted to households, by contrast, the fall in rates had already been pronounced in 2024, which is why it was modest or absent in 2025: for home purchase loans, the rate actually rose from 3.12% to 3.38% (+26 bp); it fell slightly for consumer credit, with a 32 bp decrease, from 8.65% to 8.33%.

Overall, after accounting for a modest reduction (and, in some cases, an increase) in bank lending rates, 2025 saw loans granted to the Italian economy return to year-on-year growth starting from March. Until June, however, lending to non-financial corporations remained in contractionary territory, helping to explain the



modest aggregate figure (+1.13%, resulting from +0.26% for businesses and +1.78% for households, in June 2025). In the following months, the 12-month rate of change increased progressively, standing in December at 2.05% overall, 2.48% for households and 1.95% for businesses. These are undoubtedly positive figures because they mark the end of around two years of contraction in lending to customers - especially corporate customers - in the Italian banking system.

With regard to asset quality, the ratio of non-performing loans to total lending to the economy remained low, at 2.7% as at September 2025 (latest available data).

Refinancing with the Eurosystem

In December 2025, funding provided by the Bank of Italy to banks increased by €6.9 billion compared with the previous month, reaching €21.4 billion (€22.9 billion 12 months earlier). The amount of funds borrowed through long-term refinancing operations (LTROs) increased by €0.2 billion, totalling €7.3 billion. At the same time, funds drawn through main refinancing operations (MROs) rose by €6.7 billion, reaching €14.2 billion. In December, funds borrowed by banks increased, mainly due to a doubling of MROs, which remain the primary lending source.

SIGNIFICANT EVENTS DURING THE PERIOD**Significant events during the period*****Increases in share capital pursuant to Article 5 of the Articles of Association***

During 2025, the Board of Directors of the Parent Company executed, in accordance with Article 5 of the Articles of Association, the following capital increase transactions:

- the meeting held on 27 February 2025 approved a share capital increase of €20,921,780.00, with the creation of a share premium reserve amounting to €9,578,220.00;
- the meeting held on 26 March 2025 approved a share capital increase of €6,859,600.00, with the creation of a share premium reserve of €3,140,400.00;
- the meeting held on 31 March 2025 approved a share capital increase of €2,400,860.00, with the creation of a share premium reserve of €1,099,140.00;
- the meeting held on 29 May 2025 approved a share capital increase of €1,725,189.40, with the creation of a share premium reserve of €789,810.60;
- the meeting held on 9 July 2025 approved a share capital increase of €3,429,800.00, with the creation of a share premium reserve of €1,570,200.00;
- the meeting held on 30 October 2025 approved a share capital increase of €2,743,840.00, with the creation of a share premium reserve amounting to €1,256,160.00.

As a result of the aforementioned extraordinary transactions, the share capital of Banca del Fucino amounts, as at the date of approval of this document, to €270,346,566.46, divided into 157,645,889 shares with no par value (Article 5.1 of the Articles of Association).

Cassa di Risparmio di Orvieto Transaction

Following the competitive process initiated and conducted in the final four months of 2024, on 27 January 2025, Banca del Fucino S.p.A. and Medio Credito Centrale - Banca del Mezzogiorno S.p.A. ("MCC") signed the agreement for the acquisition by Banca del Fucino S.p.A. of the controlling interest held by MCC in Cassa di Risparmio di Orvieto (35,026,062 ordinary shares with no par value, representing, on the date of signing the agreement and still at present, 85.3% of its share capital). As at the date of preparation of this document, activities relating to the execution of the Transaction are ongoing, subject, inter alia, to the completion of the relevant authorisation procedures with the Supervisory Authorities (national and European).

Inspections by the Supervisory Authorities

By letter dated 18 February 2025, ref. No. 0367858/25, delivered by hand on 24 February 2025, the Bank of Italy notified Banca del Fucino of the commencement of inspection activities concerning the Group, pursuant to Articles 54 and 68 of Legislative Decree No. 385/093.

The departments concerned provided full cooperation during the inspections, providing prompt assistance and making themselves available to respond to the Inspectors' requests.

The inspections were concluded on 11 July 2025, followed on 19 December 2025 by notification to the Parent Company of the inspection report together with a specific communication from the Supervisory Authority (the so-called “Letter on the company’s situation”), containing the main actions expected and, subsequently, on 12 January 2026, notification of the formal charges.

Following notification of the above-mentioned documents, the Parent Company initiated the related activities in order to respond to the Supervisory Authority within the prescribed deadlines.

The actions, brought together in a specific plan, will be the subject of periodic reporting to the Supervisory Authority on the status of implementation.

It should be noted that the Group, already during the course of the inspection and/or before notification of the inspection report, took effective action on the overall organisational and procedural set-up, as well as fully adopting (even before the conclusion of the inspection activities) the “value adjustments” primarily relating to the loan portfolio.

“Own” securitisation transaction - Fucino Sme 2.0

With a view to strengthening Banca del Fucino’s structural liquidity profile, the Fucino SME 2025 transaction was structured, which takes the form of a restructuring of the previous transactions on the SME 2.0 vehicle.

In the context of the transaction, the portfolio securitised under the previous transactions was subject to *releveraging*.

The financial structure of the securitisation transaction involved:

- 1) the provision by the Original Senior Lender to the Issuer (carried out on 19 November 2025 at the same time as the restructuring of the Junior Notes) of the Senior Facility 2025 - pursuant to Article 1(1)(b) of Law 130/99 (the “Securitisation Law”) - representing around 74% of the 2025 capital structure;
- 2) the redemption, by way of Mark Down following its partial repayment, of Junior Note B1 and the increase of Junior Note B2 through a Mark Up procedure. The Junior Note was converted into a Partly Paid Note with a par value of €200 million, subscribed by Banca del Fucino for €159 million. Its legal maturity is November 2052. It was subscribed for 79% of its par value by Banca del Fucino and represents the remaining 26% of the 2025 capital structure.

The portfolio underlying the new securitisation, in continuity with the previous transactions, consists of performing loans arising from unsecured term loans granted to SMEs and backed by MCC and SACE guarantees.

Banca del Fucino therefore received new liquidity from the vehicle of €130 million against a sale, net of the portfolio subject to set-off, of €79.02 million of loans. This was possible thanks to the effect of *releveraging* on the portfolio already securitised under the previous transactions.

“Third-party” securitisations - Vittoria IV

On 31 December 2024, the contract was signed for the sale of 100% of the senior ABS notes held by the Bank, known as “Series IV Up to Euro 70,000,000 Class A Asset Backed Floating Rate Partly Paid Notes due November 2030”. These notes were sold on 15 January 2025.

Third-party securitisation transactions - La Colombo

Following the Junior Noteholder's exercise of the contractual option right, on 12 December 2025, the Parent Company sold its entire investment in Class A Notes (i.e. the senior tranche) to "La Colombo S.p.A." at a price equal to the par value of €1.8 million, plus interest accrued up to the date of sale.

"Athora Italia" partnership

On 19 June 2025, Athora Italia - a life insurance company of the Athora Group, one of the European leaders in long-term savings and pensions - and Banca del Fucino signed a ten-year exclusive partnership agreement for the distribution of a structured and comprehensive range of life insurance products. The agreement provides for the marketing of Athora Italia's offering through Banca del Fucino's distribution network throughout Italy. The partnership is based on a strong strategic complementarity capable of generating value for both organisations: on the one hand, it enables Athora Italia to further expand its presence in the life bancassurance sector; on the other hand, it strengthens Banca del Fucino's wealth management offering by integrating advanced insurance solutions to meet clients' needs for protection, returns and security.

Green Division - Ongoing initiatives

On 23 December 2024, the single extraordinary merger and demerger involving the companies in the "Green division" was completed, resulting in the Parent Company Banca del Fucino holding the following interests:

- E-Way Wind: holder of an advanced portfolio of wind projects totalling 348 MW, intended for construction and direct management;
- E-Way Solar: holder of an advanced portfolio of photovoltaic projects amounting to 427.4 MW, to be constructed and retained as owned assets;
- E-Way Baselice 2.0: holder of the interest in the existing special purpose vehicle E-Way Baselice, responsible for the Baselice wind project (18 MW), for which a co-investor has already been identified that is expected to provide the necessary equity for the development of the plant;
- HoldCo: holder of all advanced projects not allocated to EWF-W and EWF-S, for a total of 419.5 MW. The projects managed by HoldCo, once they achieve RTB status, may be sold on the market or transferred to EWF-W/EWF-S for subsequent commencement of construction;
- E-Way Finance, as the merging and demerged company, continues to manage development activities, drawing on the majority of the resources and retaining ownership of projects in the preliminary stages (over 2 GW).

Following the Unified Extraordinary Transaction completed in 2024, Banca del Fucino, Alma Energia and Volt ESG held 34%, 33% and 33%, respectively, of the share capital of all companies resulting from the transaction. The new companies have been recognised in the financial statements of Banca del Fucino as at 31 December 2024 at their fair value, corresponding to the exchange valuation prepared by the expert at the time of the merger and demerger, and adjusted in the consolidation up to the residual fair value of the former E-Way Finance. For this purpose, the Parent Company engaged a leading advisor to assess the accounting treatment for the single transaction carried out.

In the agreements between the parties signed in 2024, there was an expressed intention to proceed with the termination of the co-development agreement with Valma ESG, aimed at the sale, by 30 April 2025, of 100% of the shares in Valma ESG by Volt ESG and Alma Energia to the new E-Way Finance.

Subsequently, on the basis of the formalised understandings between the parties, a new deadline was set, as the end of September 2025, for the finalisation of the agreement that would lead to the acquisition of the Valma shares. On 30 October, the agreement for the acquisition of Valma by E-Way Finance was executed. As part of the broader project aimed at the resolution of the agreement, on 6 November 2025 Banca del Fucino subscribed for and paid a capital increase in E-Way Finance amounting to €5,151,515.15. In implementation of the new strategic guidelines, negotiations have been initiated to allow new shareholders to join, and further construction ready projects have been acquired with the aim of accelerating the division's installed capacity growth (specifically E-Way Solar has acquired the fully authorised and construction ready Lentini photovoltaic project of 56 MW).

On 22 December 2025, following the successful completion of due diligence activities, an institutional investor subscribed to a reserved capital increase in E-Way Solar for €6 million, in exchange for the issuance of 9,769 shares and the execution of an investment agreement with the Company aimed at financing preparatory activities for the construction phase and the development of Ready-to-Build projects (with particular reference to the Lentini project and the AIEM cluster). This entry into E-Way Solar's share capital led the Bank to hold an equity interest of 30.97%, compared with 34% at 31 December 2024. The financial statements of the investee companies as at 31 December 2025 do not show significant changes compared with the figures as at 31 December 2024, also considering that these entities are currently in the start-up phase of operations; limited losses have been recorded, mainly attributable to ordinary operating costs and, in any event, consistent with business plan assumptions. In valuation terms, there are currently no particular concerns, also in view of the fact that the projects have not changed in scope compared with the analysis carried out as at 31 December 2024, except for the acquisition of the Lentini project. As at 31 December 2025, no specific indicators of impairment were identified. Reference is made to the section 'Events subsequent to the reporting date of the Financial Statements' for considerations regarding developments in the resolution of the Valma agreement.

Acquisition of W.E.E. equity interest

By notarised deed dated 13 May 2025, Banca del Fucino S.p.A. acquired a 30% equity interest in W.E.E. Water Environment Energy S.r.l. is a company that has been operating for almost fifteen years in the field of design and engineering services relating to the various components of the entire water cycle, with particular expertise in leak detection, as well as in network mapping and digitalisation.

The acquisition of this equity interest does not qualify as a "strategic interest", nor does it involve a change in the scope of the Banking Group.

At the same time as the acquisition of the shares, Banca del Fucino S.p.A. was granted specific governance rights as well as the option to increase its holding, resulting in a situation currently constituting significant influence.



NPL Sale

As part of the broader derisking initiatives undertaken by the Group, the disposal of a portfolio of non-performing loans classified as Past Due, Unlikely to Pay and Bad Loans was completed in July.

The transaction, named “Project Augusto”, involved the sale to five counterparties of a portfolio comprising 1,046 customer positions, with a total gross book value (“GBV”) as at 31 December 2024 of €96.7 million.

In December 2025, a single-name disposal on the Parent Company took place for a position classified as Unlikely to Pay, at a price of €16.8 million against an NBV of €18.5 million.

Società Edilizia Pineto (SEP) - Shareholders’ Loan

On 15 April 2025, SEP’s Shareholders’ Meeting put forward a request for a loan of €150,000 to cover ordinary cash requirements up to September 2025. On 31 July 2025, the Board of Directors of the Parent Company approved the granting of a shareholder loan amounting to €60 thousand, which was disbursed on the same date.

Investment Agreement - Consorzi Agrari d’Italia S.p.A. (CAI)

On 26 September 2025, an investment agreement was signed between Cassa Depositi e Prestiti S.p.A., acting on behalf of the National Strategic Fund (FNS) segment of the segregated assets Patrimonio Rilancio, and Bonifiche Ferraresi S.p.A (BF), Banca del Fucino S.p.A. (BdF), Quinto Giro Investimenti S.r.l. (QG), Consorzi Agrari d’Italia S.p.A., Consorzio Agrario dell’Emilia S.c.r.l., Consorzio Agrario del Nord-Est S.c.r.l., Consorzio Agrario del Tirreno S.c.r.l., Consorzio Agrario di Siena S.c.r.l., Società Consortile Consorzi Agrari S.c.p.A., Consorzio Agrario Centro-Sud S.c.r.l. and Consorzio Agrario Adriatico S.c.r.l., following the submission by CAI of a request for intervention to the National Strategic Fund (FNS) in accordance with Article 27 of Decree-Law No. 34/2020, the regulations governing Patrimonio Rilancio and Ministerial Decree No. 26/2021 issued by the Ministry of Economy and Finance. The investment agreement governs the terms and conditions of the Transaction and provides for a share capital increase of CAI in the amount of €145 million, which was subscribed in an initial tranche and paid in cash by FNS (as the “Investor”) and by BF, BdF and QG, as parties interested in assuming the role of co-investors alongside FNS (the “Co-Investors”). The Parent Company, Banca del Fucino, subscribed to the aforementioned share capital increase in the amount of €7.5 million.

Fucino Finance - Commercial development initiatives

During 2025, the Company continued, alongside its own origination activities, its strategic programme of acquiring receivables from financial intermediaries authorised under Article 106, specialised in the distribution of salary- and pension-backed loans. After completing acquisitions totalling around €4 million in the last quarter of 2024, a further €14.3 million in loans had been acquired by 30 September 2025.

These credit acquisition activities, together with the additional commercial initiatives already launched, enabled the Company to significantly improve its expected profitability for the 2025 financial year, while simultaneously strengthening its strategic market positioning.

Among the various distribution channels, the Company has assigned particular importance to the banking channel. In this context, the strengthening of support services, accompanied by ongoing and structured training for the branches, is a key element of the corporate strategy.



In addition, specific commercial initiatives have been promoted, developed in close cooperation with the Commercial Divisions of the partner banking institutions (currently the Parent Company Banca del Fucino and Cassa di Risparmio di Volterra). These activities are aimed at supporting the growth and consolidation of this distribution channel, which is considered essential for the Company, maximising its contribution, while also promoting new and future strategic partnerships in line with planned expansion projects.

The multichannel distribution model remains the foundation of the commercial strategy, with a focus on the retention and recruitment of Agent and Broker networks to ensure budget attainment through a diversified, competitive offering and an extensive market presence.

The Company remains focused on volume growth through the products offered to customers.

Amendments to the Articles of Association of Igea Digital Bank (now BIAE)

On 24 July 2025, Banca del Fucino S.p.A. and Igea Digital Bank S.p.A., pursuant to Board resolutions dated 29 May 2025 and 14 May 2025, respectively, notified the Bank of Italy of an application containing the proposal to amend the Articles of Association of the Subsidiary Bank, concerning the change of its corporate name to “Banca Italiana per l’Ambiente e l’Energia S.p.A.”, in accordance with Article 56 of Legislative Decree No. 385/1993 (“TUB”) and the related implementing provisions set out in Bank of Italy Circular No. 229/1999, Title III, Chapter 1 (as subsequently amended by provisions issued by the same Authority and published in Supervisory Bulletin No. 3/2007, pp. 21 et seq.).

The proposed change to the corporate name of the Subsidiary Bank forms part of the initiatives supporting its strategic development, it being considered appropriate at this stage to proceed with the related rebranding in order to support the Bank in its forthcoming industrial development and market positioning.

On 4 August 2025, the Supervisory Authority - by order Ref. No. 1548058/25 - established that the proposed amendment to the Articles of Association of the Subsidiary Bank does not conflict with the principle of sound and prudent management.

By resolution of the Extraordinary Shareholders’ Meeting of 30 September 2025, Article 1 of the Articles of Association of Igea Digital Bank was amended, therefore, with effect from 1 October 2025, Igea Digital Bank adopted the name “Banca Italiana per l’Ambiente e per l’Energia S.p.A.” (also in abbreviated form “BIAE S.p.A.”).

BIAE - Strategic agreement for equity participation

In a highly competitive and constantly evolving environment, growth and sustainability increasingly depend on the ability to establish strategic partnerships with institutional and industrial operators. These partnerships represent not only a financial contribution but also real levers for expanding the Company’s industrial and commercial opportunities.

Bringing selected partners into the equity enables the capital structure to be strengthened and, at the same time, provides access to specialist expertise, distribution networks and new markets that would be difficult to reach independently. Collaboration with qualified operators also encourages the sharing of know-how,



accelerates innovation processes, supports the development of new products and services and helps improve overall competitiveness.

In this context, during 2024 the Parent Company Banca del Fucino initiated discussions with leading institutional investors, selected not only for their financial strength but also for their ability to contribute to the industrial and commercial development of the new Bank dedicated to the environment and energy.

Building on the expertise developed in the renewable energy sector, activities continued with a view to defining a strategic agreement with a leading Italian industrial group, a market leader in the multi-utility sector and active in the management and development of services and infrastructure in the water, energy and environmental sectors.

These discussions led to the signing of an Investment Agreement in the second half of 2025 between Banca del Fucino, BIAE and the identified strategic partner, subject solely to approval by the competent Supervisory Authority. The agreement made it possible to expand the Bank's and the Banking Group's offering with a leading operator in the integrated management of essential public services, recognised for its strength, innovative capacity and commitment to environmental and social sustainability.

BIAE - Perpetual and non-repayable contribution towards a future capital increase

Pursuant to a Board resolution dated 30 September 2025, Banca del Fucino S.p.A., pending the launch of the overall relaunch project of Igea Digital Bank S.p.A. (now BIAE), made a perpetual and non-repayable contribution towards a future capital increase in favour of the subsidiary in the amount of €5,000,000.00.

Reserve related to the windfall tax

Law No 199 of 30 December 2025 ("2026 Budget Law") amended - with paragraph 68 of Article 1 - Article 26 of Decree Law No 104 of 10 August 2023, converted, with amendments, by Law No 136 of 9 October 2023. Specifically, the new regime provides that, starting from the financial year beginning after 1 January 2028, in the event of the distribution of profits, including interim dividends, or reserves, irrespective of the shareholders' resolution, the reserve referred to in paragraph 5-bis shall be deemed to be distributed on a priority basis, namely the reserve established, upon approval of the financial statements for the 2023 financial year, by exercising the option provided for by the legislation as a means of fulfilling the obligation provided, as an alternative to the payment of the extraordinary tax introduced at that time on banks (the so-called "2023 Reserve").

Paragraph 69 of Article 1 of the 2026 Budget Law instead introduced the provision that, until the financial year current at 31 December 2028, the "2023 Reserve" may be subject to an extraordinary contribution to be applied to the said reserve irrespective of "the nature of the items that contributed to its formation and the related methods of allocation" thereof. Subsequent paragraph 70 provides that the extraordinary contribution shall be determined at 27.5 per cent of the reserve existing at the end of the financial year in progress as at 31 December 2025, or at 33 per cent of the reserve existing at the end of the following financial year; paragraph 72 further provides that, in the event of payment of the contribution, the provisions set out in Article 26, paragraph 5-bis, final sentence, of Decree-Law No. 104 of 10 August 2023 regarding the restriction on the distributability of the reserve shall no longer apply.

Based on the wording of the provision, it therefore appears clear that the legislature intends to provide for the taxation of an equity item regardless of its origin, thereby creating a clear break with the extraordinary tax introduced in 2023 which was, moreover, settled definitively through fulfilment of the obligation to act described above.

Please note that the reserve in question recognised in the consolidated financial statements at 31 December 2025 amounts to a total of €9,515,665 for the two Banks in the Group.

From a strictly accounting perspective, in light of the assessments and analyses carried out at banking system level, and taking into account the specific features of the legislation in question, it was considered that the corresponding entry to the liability relating to the extraordinary contribution should be recognised within shareholders' equity and that the liability relating to such extraordinary contribution should be recognised in the financial statements for the year ended 31 December 2025.

In particular, since payment of the extraordinary contribution represents an option that each bank may decide independently, the provisions of IFRIC 21 were deemed not applicable and, likewise, as it is not an income tax under the categories set out in IAS 12, that standard was also deemed not applicable.

In the absence of accounting standards directly applicable under IAS/IFRS, reference was therefore made to the provisions of IAS 8 in order to determine the accounting treatment to be applied in the specific case, by identifying, within IAS/IFRS standards governing similar transactions, an approach to be applied by analogy.

In particular, in light of the characteristics of the regulatory mechanism described above, provisions applicable by analogy were identified in IAS 12, and specifically in paragraph 61A, which requires taxation to be recognised consistently with the recognition criterion applied to the underlying item from which the tax arises. In this case, since the extraordinary contribution relates to an equity item, the corresponding entry for recognising the liability was consequently identified within shareholders' equity.

With regard to the period of recognition of the contribution, it should be noted that the 2026 Budget Law was approved on 30 December 2025 and, accordingly, was considered to be "substantially enacted" as at the reporting date for the 2025 financial year.

Accordingly, the liability arising from the extraordinary contribution was considered to have already existed in 2025 and, consequently, was recognised in the present consolidated financial statements in the amount of €2,616,807, in light of the decision taken by the management bodies of the Group's Banks (on 10 February 2026) to proceed with payment of the contribution in 2026 at a rate of 27.5% of the 2023 Reserve.

The amount in question was recognised under the item "Other Liabilities", with a corresponding entry to "Retained Earnings", leaving to the shareholders' resolution approving the separate financial statements of the Group's Banks as at 31 December 2025 the identification of the shareholders' equity reserve to be utilised to meet payment of the extraordinary contribution.

ECONOMIC RESULTS AND BALANCE SHEET AGGREGATES

Group Management Performance

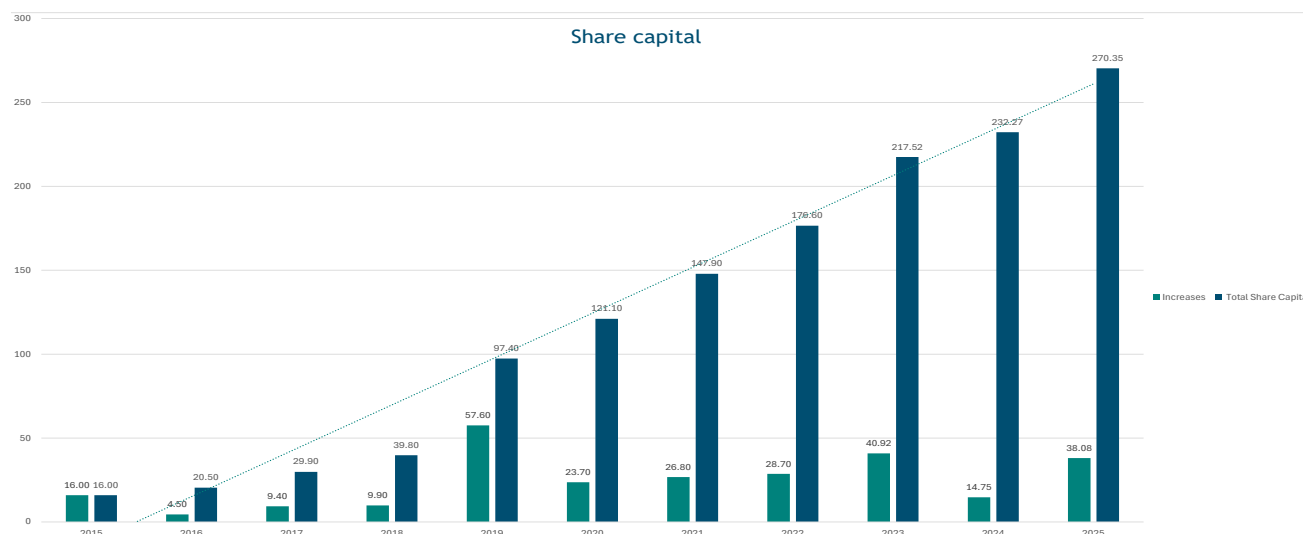
Methodological introduction

The consolidated balance sheet and income statement 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 2024 financial year and the corresponding differences compared to the 2025 financial year.

Management analysis

The 2025 financial year was characterised by a capital strengthening of Banca del Fucino, which increased its share capital to €270.3 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 2025, 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 2025 financial year, direct funding from customers increased to €4.2 billion (+9.29% compared with 31 December 2024), loans to customers rose to approximately €2.8 billion (+8.89% compared with 31 December 2024), and total banking business exceeded €8 billion, representing growth of 5.32% compared with the previous financial year.

The above results are even more relevant when viewed from a longer-term perspective.



The 2025 financial year reflects in its income results the provisioning activities carried out by the Group in managing and valuing NPLs, with an impact of value adjustments of approximately €36 million.

The following is a breakdown of the Group's main income statement and balance sheet items as at 31 December 2025.



Key performance indicators

The key consolidated operating indicators are shown below:

FINANCIAL POSITION AND OPERATING FIGURES	31/12/2025	31/12/2024
Direct funding	4,226,454	3,867,156
Indirect funding	1,042,525	1,223,745
<i>of which Assets under Management</i>	414,688	419,978
<i>of which Assets under Administration</i>	627,837	803,767
Loans to customers	2,817,633	2,587,559
Shareholders' equity	344,504	291,954
CREDIT QUALITY RATIOS	31/12/2025	31/12/2024
Net non-performing loans in default/Loans to customers	0.27%	0.34%
Net non-performing loans/Loans to customers	4.53%	5.02%
Coverage ratio for non-performing loans in default	61.05%	78.47%
Coverage ratio for non-performing loans	28.53%	39.27%
Gross NPL Ratio	6.17%	7.94%
CAPITAL RATIOS	31/12/2025	31/12/2024
Shareholders' equity/Loans to customers	12.23%	11.28%
Shareholders' equity/Direct funding	8.15%	7.55%
Loans to customers/Total assets	50.91%	49.07%
Direct funding/Total assets	76.36%	73.33%
CAPITAL RATIOS	31/12/2025	31/12/2024
Total Capital Ratio	18.34%	14.72%
Tier 1 Ratio	15.14%	13.55%
CET 1	14.99%	13.39%
Leverage Ratio	5.50%	4.61%
LCR	175.39%	152.82%
NSFR ³	123.90%	118.32%
ROE	1.11%	3.52%
ROE on average SE	1.20%	3.67%
INCOME STATEMENT FIGURES	31/12/2025	31/12/2024
Primary Net Interest Income	163,515	152,314
Net interest income from financial intermediation	127,816	75,581
Cost/Income ⁴ Ratio	70.83%	77.16%
Profit from continuing operations before tax	10,040	8,467
Profit (loss) for the year	3,815	10,276

³ The NSFR figure has been restated compared with the approved 2024 financial statements

⁴ Calculated as the ratio of total operating costs to total Net Interest Income



Consolidated Economic Data

The reclassified consolidated income statement

The financial data as at 31 December 2025 is shown below, aggregated and reclassified for ease of reading.

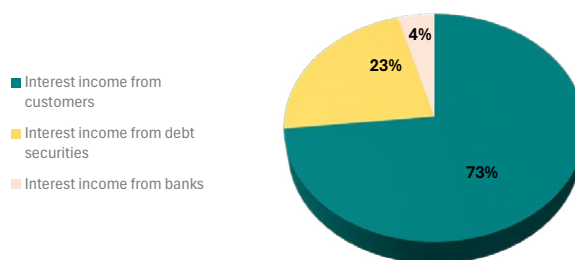
(in € thousands)	31/12/2025	31/12/2024	YoY movement	% Chg.
Net interest income	95,687	87,319	8,367	9.58%
Net fees and commissions	29,823	26,146	3,676	14.06%
Dividends	1,149	1,084	65	5.96%
Net income from financial operations	36,856	37,764	(907)	-2.40%
Net Interest Income	163,515	152,314	11,201	7.35%
Net impairment losses/reversals	(35,699)	(76,733)	41,034	-53.48%
Result of financial operations	127,816	75,581	52,235	69.11%
Administrative expenses	(118,537)	(121,719)	3,182	-2.61%
Net provisions for risks and charges	(1,993)	(3,502)	1,509	-43.09%
Other income (expenses)	15,745	18,468	(2,723)	-14.75%
Depreciation and amortisation of tangible and intangible assets	(11,034)	(10,778)	(256)	2.37%
Operating costs	(115,819)	(117,531)	1,711	-1.46%
Gains/(losses) from contractual modifications without derecognition	(0)	(0)	(0)	n.s.
Profit/(loss) from investments and equity interests	(1,957)	50,417	(52,374)	n.s.
Gross operating profit/(loss)	10,040	8,467	1,572	18.57%
Income taxes	(6,224)	1,809	(8,033)	n.s.
Net profit/(loss)	3,815	10,276	(6,461)	-62.87%
Net profit/(loss) attributable to the parent company	3,815	10,276	(6,461)	-62.87%
Net profit/(loss) attributable to non-controlling interests	-	-	-	-

The interest margin

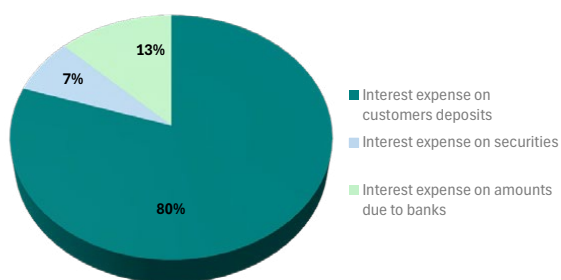
(in € thousands)	31/12/2025	31/12/2024	YoY movement	% Chg.
Interest income from customers	138,227	151,134	(12,907)	-8.54%
Interest income from debt securities	42,099	50,274	(8,175)	-16.26%
Interest income from banks	8,168	13,521	(5,354)	-39.59%
Total Interest Income	188,494	214,930	(26,436)	-12.30%
Interest expense on customers deposits	74,259	92,876	(18,617)	-20.04%
Interest expense on securities	6,732	4,813	1,919	39.86%
Interest expense on amounts due to banks	11,746	29,892	(18,146)	-60.70%
Other interest expense	69	29	40	n.s.
Total Interest Expense	92,807	127,610	(34,803)	-27.27%
Net Interest Income	95,687	87,319	8,367	9.58%

Interest income and similar revenues amounted to around €188,494 thousand. Of the main interest items, €138,227 thousand came from customers, €8,168 thousand from banks and €42,099 from securities owned.

Interest income: breakdown



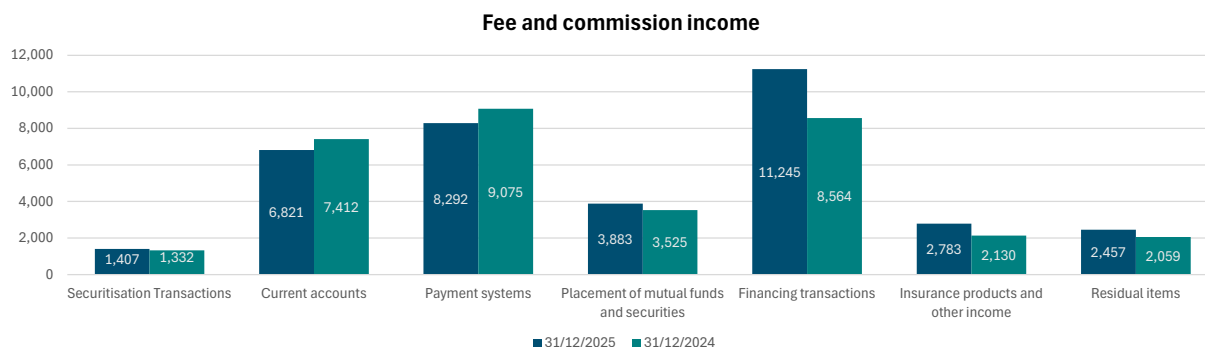
Interest expense: breakdown



Interest expense and similar charges amounted to approximately €92,807 thousand, of which €74,259 thousand from customers, €11,746 thousand from banks, and €6,732 thousand on securities.

As a result of the above, the **interest margin** amounted to over €95,687 thousand.

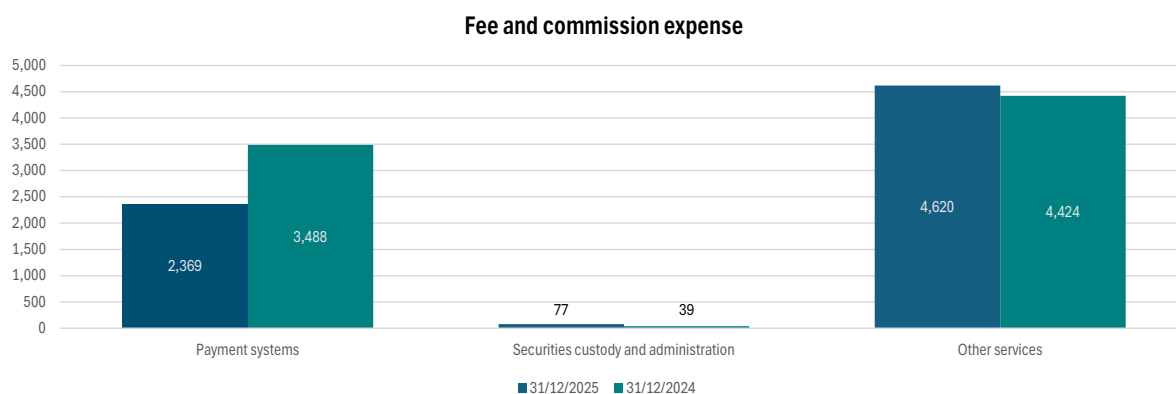
Net commissions



Total fee and commission income amounts to more than €36,888 thousand, including €1,407 thousand arising from servicing and arranging activities relating to securitisation transactions carried out in previous financial years, €6,821 thousand relating to current accounts, €8,292 thousand attributable to payment systems, €3,883 thousand relating to the placement of mutual funds and securities, and €2,783 thousand relating to insurance products. The item “lending operations”, amounting to €11,245 thousand, includes €8,224 thousand relating to commitment fees. Other commissions income, amounting to €2,457 thousand, mainly includes commissions on guarantees issued and other services.

(in € thousands)	31/12/2025	31/12/2024	YoY movement	% Chg.
Securitisations transactions	1,407	1,332	75	5.65%
Current accounts	6,821	7,412	(591)	-7.97%
Payment systems	8,292	9,075	(783)	-8.63%
Placement of mutual funds and securities	3,883	3,525	358	10.16%
Financing transactions	11,245	8,564	2,680	31.30%
Insurance products and other income	2,783	2,130	653	30.67%
Residual items	2,457	2,059	398	19.32%
Fee and commission income	36,888	34,097	2,791	8.19%

Total commission expenses amounted to over €7,065 thousand, of which €2,369 thousand related to payment systems. The item “Other services” includes fees payable in respect of the granting of State guarantees amounting to €2,518 thousand.



(in € thousands)	31/12/2025	31/12/2024	YoY movement	% Chg.
Payment systems	2,369	3,488	(1,119)	-32.09%
Securities custody and administration	77	39	38	97.83%
Other services	4,620	4,424	196	4.43%
Fee and commission expense	7,065	7,951	(885)	-11.13%

On this basis, **net fees and commissions** amounts to more than €29,823 thousand.

(in € thousands)	31/12/2025	31/12/2024	YoY movement	% Chg.
Fee and commission income	36,888	34,097	2,791	8.19%
Fee and commission expense	7,065	7,951	(885)	-11.14%
Net fees and commissions	29,823	26,146	3,676	14.06%

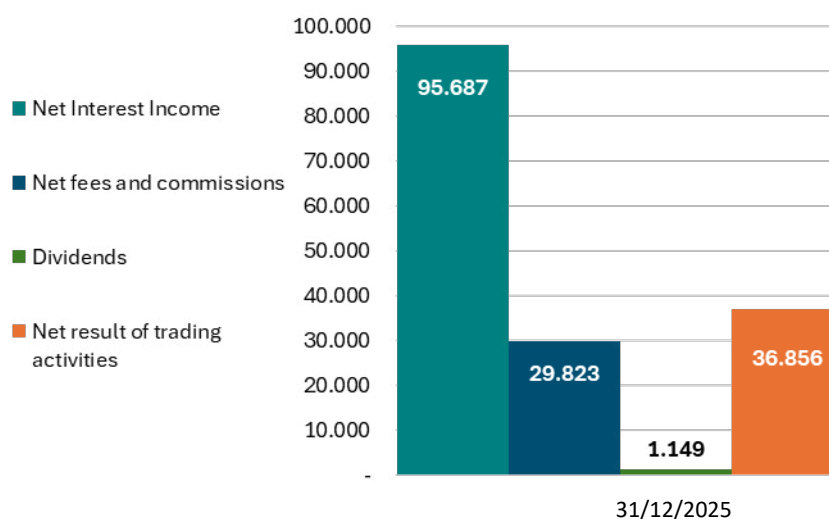
Result of financial operations

Net Interest Income amounted to approximately €163,515 thousand.

The **net result from financial assets**, amounting to approximately €36,856 thousand, was positively impacted by approximately €28,939 thousand by the positive result of financial assets measured at fair value with impact on the income statement, which also includes the trading of tax receivables. This result is also influenced by **gains on disposals** amounting to approximately €7,917 thousand, mainly relating to the sale, during the financial year, of financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost. This aggregate also reflects the fair value measurement of financial assets designated at fair value and those mandatorily measured at fair value, which resulted in a positive amount of €765 thousand.

Dividends amounted to €1,149 thousand.

Breakdown of Net Interest Income





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 €35,699 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. This item also includes impairments arising from inspection reviews of the loan portfolio and ABS securities.

Therefore, the **net result of financial management** amounts to approximately €127,816 thousand.

Operating costs

(in € thousands)	31/12/2025	31/12/2024	YoY movement	% Chg.
Administrative expenses	(118,537)	(121,719)	3,182	-2.61%
- <i>personnel expenses</i>	(61,906)	(60,469)	(1,438)	2.38%
- <i>other administrative expenses</i>	(56,631)	(61,250)	4,619	-7.54%
Depreciation and amortisation	(11,034)	(10,778)	(256)	2.37%
Other net provisions (excluding credit risk adjustments)	(1,993)	(3,502)	1,509	-43.09%
- <i>of which: on commitments and guarantees</i>	(1,480)	(72)	(1,408)	n.s.
Other operating income/expenses	15,745	18,468	(2,723)	-14.75%
Total operating costs	(115,819)	(117,531)	1,711	-1.46%

Administrative expenses amounted to about €118,537 thousand, of which €61,906 thousand related to personnel expenses and about €56,631 thousand to other administrative expenses. With reference to “other administrative expenses”, costs relating to activities connected with the Group’s growth and the transactions planned for 2025 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 expenses were mainly concentrated on updating the processes governing internal control systems and on activities associated with new commercial and governance initiatives.

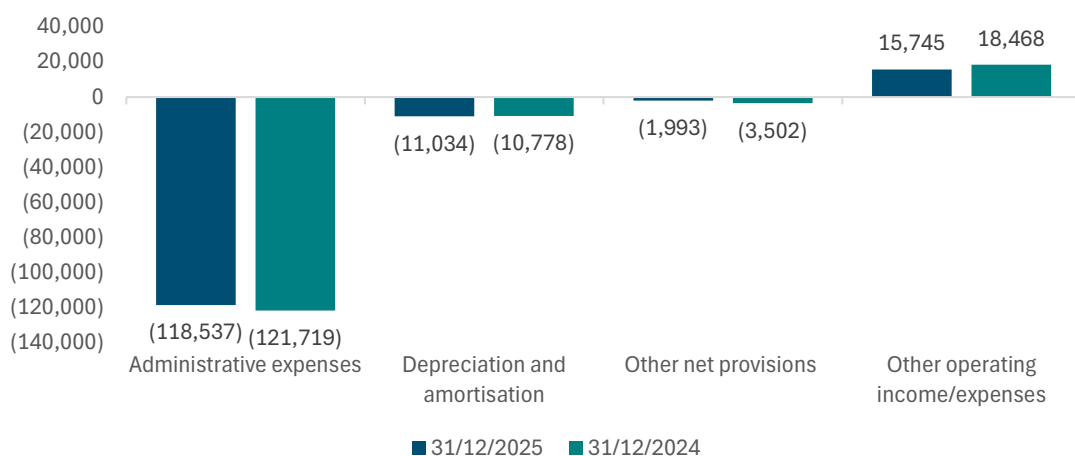
The Group is implementing a policy to rationalise operating costs. This policy, currently being implemented also through more advanced budget monitoring and management tools, made it possible to achieve a reduction in operating costs of 1.46% compared with 2024.

Total adjustments to property, plant and equipment and intangible assets amounted to approximately €11,034 thousand, including amortisation relating to the rights of use acquired through leases, amounting to approximately €5,667 thousand.

Total **other operating income and expenses** is positive for approximately €15,745 thousand. The item is mainly influenced by income from the recovery of expenses charged to customers and by a one-off fee of €1 million received from Athora Italia following the achievement of targets relating to the distribution of insurance products. In detail, this line item mainly comprises:

- Other income (€17.6 million): €12.1 million relating to recoveries of expenses from customers and insurance reimbursements, €1 million relating to the commercial agreement with Athora Italia and €2.5 million relating to the release of staff costs accrued in the previous financial year that will not be incurred;
- Other expenses (€1.9 million) include approximately €885 thousand relating to amortisation of capital expenditure incurred on third-party assets and approximately €1 million relating to other charges.

Operating costs



As a result, total operating costs amounted to €115,819 thousand. Gains/losses on investments relate to the valuation of investments under the equity method for approximately €1,957 thousand.

Therefore, taking into account the profit/loss from equity investments, the profit before tax amounts to €10,040 thousand.

Income taxes for the year impacted the profit for the period in a total amount of €6,224 thousand. This effect is mainly attributable to the recognition of current taxes for IRES and IRAP purposes as well as the reversal of deferred tax assets previously recognised on prior tax losses.

Accordingly, profit for the year attributable to the Parent Company amounted to approximately €3,815 thousand.



Consolidated Balance Sheet Data

Reclassified consolidated balance sheet

(in € thousands)	31/12/2025	31/12/2024	YoY movement	% Chg.
Cash and cash equivalents	24,137	25,360	(1,223)	-4.82%
Loans measured at AC	3,372,435	3,020,520	351,915	11.65%
- Loans to banks	554,802	432,961	121,841	28.14%
- Loans to customers	2,817,633	2,587,559	230,074	8.89%
Other financial assets	1,350,836	1,328,220	22,616	1.70%
- Measured at FV through profit or loss	48,251	37,887	10,364	27.36%
- Measured at fair value through other comprehensive income	535,450	645,731	(110,280)	-17.08%
- Measured at AC	767,135	644,602	122,532	19.01%
Investments in subsidiaries, associates, and joint ventures	85,859	78,648	7,211	9.17%
Property, plant and equipment	109,643	109,736	(93)	-0.09%
Intangible assets	3,302	3,667	(365)	-9.95%
Tax assets	72,811	71,231	1,580	2.22%
Assets held for sale	-	14,500	(14,500)	n.s.
Other assets	515,866	621,396	(105,530)	-16.98%
Total assets	5,534,888	5,273,277	261,611	4.96%
Amounts due to banks	786,147	944,693	(158,546)	-16.78%
Lease liabilities	22,754	23,712	(957)	-4.04%
Direct funding	4,226,454	3,867,157	359,297	9.29%
- Payables due to customers	4,226,454	3,867,157	359,297	9.29%
Financial liabilities held for trading	3,235	3,694	(459)	-12.42%
Hedging derivatives	36	83	(47)	-56.70%
Provisions	12,409	10,895	1,514	13.90%
Tax liabilities	4,836	1,851	2,985	n.s.
Other liabilities	134,512	129,237	5,276	4.08%
Total liabilities	5,190,384	4,981,321	209,063	4.20%
Shareholders' equity	344,504	291,956	52,548	18.00%
Total liabilities and shareholders' equity	5,534,888	5,273,277	261,611	4.96%

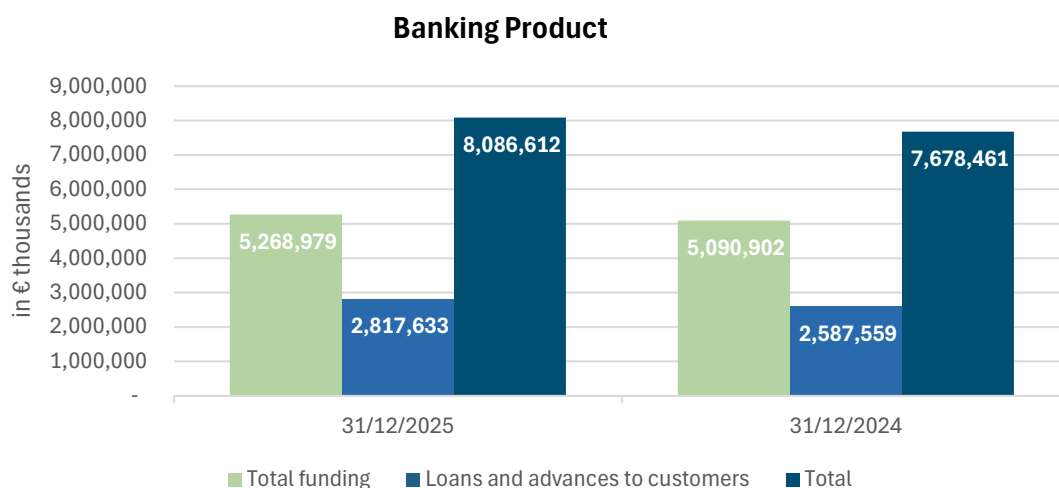
The following table shows the changes in the key balance sheet aggregates as at 31 December 2025.

The banking product

Banking Product (€ thousands)	31/12/2025	31/12/2024	YoY movement	% Chg.
Direct funding	4,226,454	3,867,157	359,297	9.29%
Indirect funding	1,042,525	1,223,745	(181,220)	-14.81%
Total funding	5,268,979	5,090,902	178,077	3.50%
Loans to customers	2,817,633	2,587,559	230,074	8.89%
Banking Product (Customers)	8,086,612	7,678,461	408,151	5.32%

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 2025 amounted to more than €8,086,612 thousand.

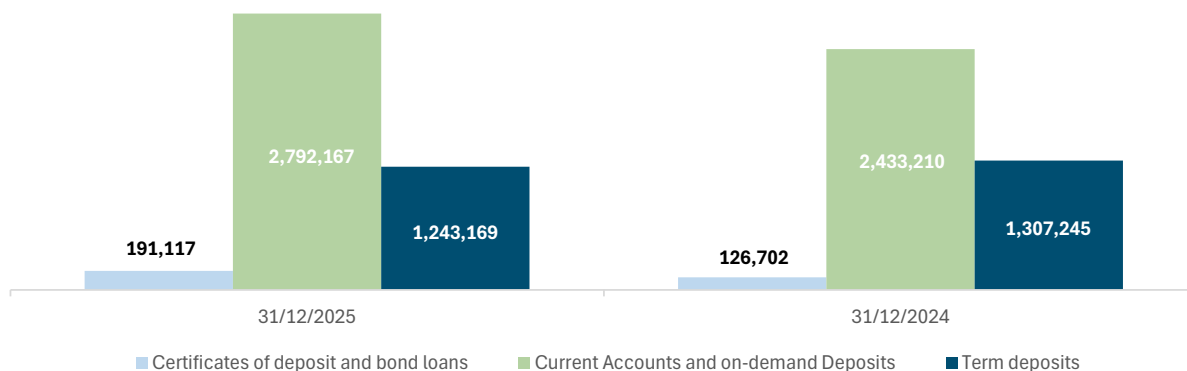


Total Deposits

(in € thousands)	31/12/2025	% composition	31/12/2024	% composition	YoY movement	% Chg.
Certificates of deposit and bond loans	191,117	4.52%	126,702	3.28%	64,415	50.84%
Current accounts and on-demand deposits	2,792,167	66.06%	2,433,210	62.92%	358,958	14.75%
Term deposits	1,243,169	29.41%	1,307,245	33.80%	(64,076)	-4.90%
Direct funding from customers	4,226,454	100.00%	3,867,157	100.00%	359,297	9.29%
Assets under Management	414,688	39.78%	419,978	34.32%	(5,289)	-1.26%
Assets under Administration	627,837	60.22%	803,767	65.68%	(175,931)	-21.89%
Indirect funding	1,042,525	100.00%	1,223,745	100.00%	(181,220)	-14.81%
Total funding	5,268,979		5,090,902		178,077	3.50%

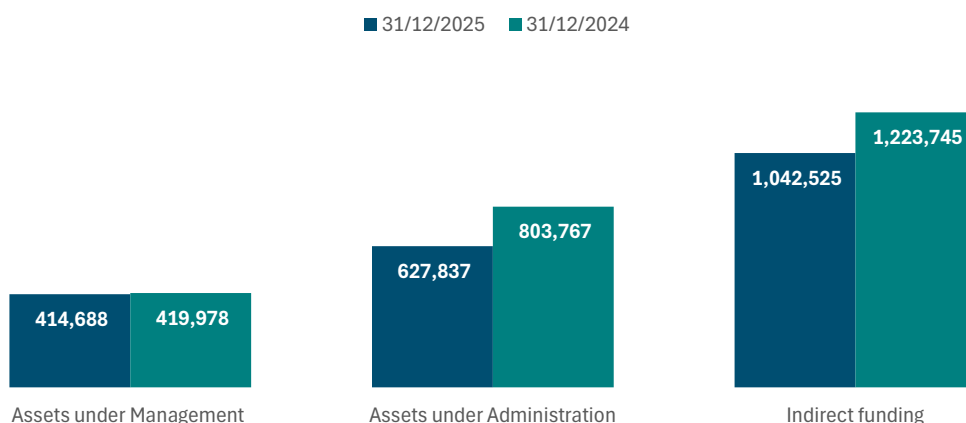
Direct funding as at 31 December 2025 amounted to over €4,226,454 thousand and consisted mainly of current accounts and on-demand deposits, amounting to 66.06%.

Breakdown of Direct funding



Indirect funding as at 31 December 2025 amounted to over €1,042,525 thousand, with assets under management accounting for 60.22% of the total. More specifically, assets under administration amounted to over €627,837 thousand, while assets under administration totalled €414,688 thousand.

Breakdown of Indirect funding



Loans to customers

Loans to customers (in € thousands)	31/12/2025	% composition	31/12/2024	% composition	YoY movement	% Chg.
Current accounts	419,196	14.88%	333,304	12.88%	85,892	25.77%
Mortgages	1,752,894	62.21%	1,727,690	66.77%	25,203	1.46%
Credit cards and personal loans	353,883	12.56%	247,055	9.55%	106,828	43.24%
Factoring	71,525	2.54%	77,290	2.99%	(5,765)	-7.46%
Other lending	220,135	7.81%	202,218	7.82%	17,916	8.86%
Total loans to customers	2,817,633	100.00%	2,587,559	100.00%	230,074	8.89%

Net loans to customers amounted to €2,817,633 thousand as at 31 December 2025 and were primarily concentrated in medium- and long-term lending, accounting for approximately 62.21%.

Credit quality

(in € thousands)	31/12/2025				31/12/2024				Chg.	
Status	Gross exposure	Total adjustments	Net value	Coverage	Gross exposure	Total adjustments	Net value	Coverage	Assets	%
Bad loans	19,630	11,984	7,646	61.05%	40,984	32,162	8,823	78.47%	(1,177)	-13.34%
Unlikely to pay	121,396	35,187	86,208	28.99%	131,691	43,533	88,158	33.06%	(1,950)	-2.21%
Past due exposures	37,603	3,790	33,813	10.08%	41,147	8,275	32,872	20.11%	941	2.86%
Non-performing loans	178,628	50,961	127,668	28.53%	213,823	83,970	129,853	39.27%	(2,185)	-1.68%
Performing	2,718,015	28,050	2,689,965	1.03%	2,478,625	20,918	2,457,707	0.84%	232,259	9.45%
Performing loans	2,718,015	28,050	2,689,965	1.03%	2,478,625	20,918	2,457,707	0.84%	232,259	9.45%
TOTAL	2,896,643	79,010	2,817,633	2.73%	2,692,448	104,889	2,587,559	3.90%	230,073	8.89%

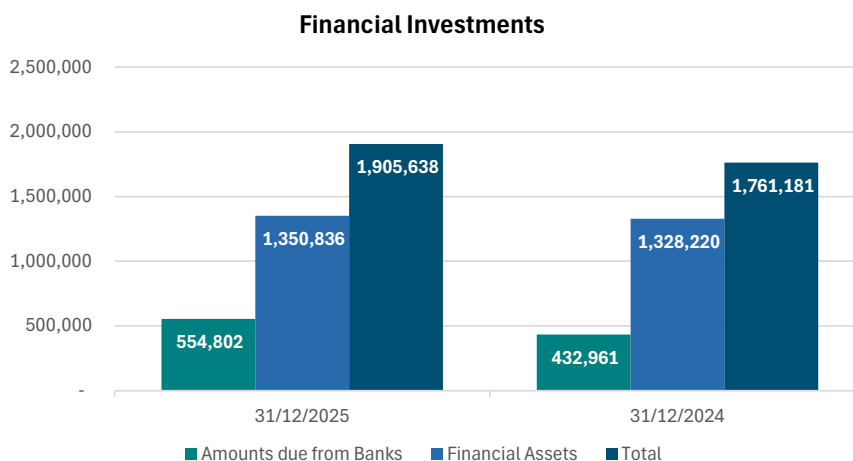
Net impaired exposures (non-performing loans, defaulting and exposures past due) totalled €127,668 thousand.

Total coverage of non-performing exposures stood at approximately 28.53%, with a gross NPL ratio of 6.17%, compared with 7.94% in 2024, and reflects the reclassifications required by the Supervisory Authority, approved by the Board of Directors on 9 July 2025 and implemented from June and July 2025 for approximately €72 million in terms of gross exposure. The loan figures also reflect the disposal of NPLs that took place in July 2025 for a gross amount of approximately €91 million and a net amount of approximately €40 million.

In December, a single-name disposal also took place on the Parent Company of a position classified as Unlikely to Pay, at a price of €16.8 million against an NBV of €18.5 million.

Financial Investments and Net Financial Position

(in € thousands)	31/12/2025	31/12/2024	YoY movement	% Chg.
Loans to Banks	554,802	432,961	121,841	28.14%
Financial Assets	1,350,836	1,328,220	22,616	1.70%
Financial Investments	1,905,638	1,761,181	144,457	8.20%



Financial assets amounted to a total of €1,350,836 thousand and consisted mainly of securities issued by governments, banks and financial companies.

Type of securities	31/12/2025	31/12/2024
Securities measured at amortised cost (HTC)	767,135	644,603
<i>Of which ABS</i>	<i>138,676</i>	<i>144,962</i>
<i>Of which government bonds</i>	<i>604,284</i>	<i>462,185</i>
Securities measured at fair value through profit or loss (FVTPL)	48,251	37,887
<i>Of which insurance policies</i>	<i>2,630</i>	<i>3,667</i>
<i>Of which ABS</i>	<i>-</i>	<i>-</i>
Securities measured at fair value through other comprehensive income (FVTOCI)	535,450	645,730
<i>Of which government bonds</i>	<i>493,952</i>	<i>588,617</i>
Total financial assets	1,350,836	1,328,220

Loans to banks amounted to €554,802 thousand, which, when compared with amounts due to banks resulted in a negative net financial position of €231,345 thousand. Amounts due to central banks 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 €445 million.



(in € thousands)	31/12/2025	31/12/2024	YoY movement	% Chg.
Amounts due from central banks	400,867	316,711	84,157	26.57%
Amounts due from other banks	153,934	116,250	37,685	32.42%
- Current accounts and on-demand deposits	122,630	79,710	42,920	53.85%
- Term deposits	31,202	36,539	(5,338)	-14.61%
- Other financing	102	-	102	n.s.
Total loans and receivables (A)	554,802	432,961	121,841	28.14%
Amounts due to central banks	200,753	200,926	(173)	-0.09%
Amounts due to other banks	585,394	743,767	(158,373)	-21.29%
- Current accounts and on-demand deposits	27,477	27,291	185	0.68%
- Term deposits	557,918	716,476	(158,558)	-22.13%
Total liabilities (B)	786,147	944,693	(158,546)	-16.78%
NET FINANCIAL POSITION (A-B)	(231,345)	(511,732)	280,388	-54.79%

Investments in subsidiaries, associates, and joint ventures

The value of the Group's equity investments as at 31 December 2025 amounted to €85,859 thousand, reflecting the equity investments detailed below.

Company	31.12.2025	31.12.2024
E-WAY FINANCE	11,100	6,555
SEP	5,681	5,681
E-WAY WIND	23,302	23,919
E-WAY SOLAR	20,968	21,396
HOLDCO	18,556	19,121
E-WAY BASELICE 2.0	1,922	1,977
W.E.E.	4,330	-
Total	85,859	78,648

The following is a summary of the main equity investments in Group companies, highlighting the most significant balance sheet, income statement and operating data as at 31 December 2025. With regard to the parent company Banca del Fucino, please refer to the separate financial statements in this report.



Reconciliation statement between shareholders' equity and profit/(loss) of the Parent Company and consolidated profit/(loss)

The table below provides the reconciliation between the shareholders' equity and profit/(loss) of the Parent Company and the same figures on a consolidated basis.

(in € thousands)	Shareholders' equity	Profit/(loss) for the period
Balances as at 31 December 2025 as per the Parent Company's financial statements	380,475	10,694
Effect of measurements at equity of associated companies	(1,163)	(542)
Elimination of dividends received from associates in the period	-	-
Results of subsidiaries	(17,720)	(4,922)
Other consolidation adjustments	(17,087)	(1,415)
Balances as at 31 December 2025 as per the consolidated financial statements	344,504	3,815



	BIAE S.p.A.	Fucino Finance S.p.A.	E-Way Basellce S.p.A.	E-Way Salar S.p.A.	E-Way Wind S.p.A.	HoldCo S.p.A.	E-Way Finance S.p.A.	WEE S.r.l.	SEP S.p.A.
Asset Items	31/12/25	31/12/25	31/12/25	31/12/25	31/12/25	31/12/25	31/12/25	31/12/25	31/12/25
Cash and cash equivalents	10,287	1,277	2	4,143	13	6	24	1,218	-
Financial assets measured at fair value through profit or loss	3,047	-	-	-	-	-	-	-	-
Financial Assets at Amortised Cost	128,972	347,669	-	-	-	-	-	-	8
Tangible and intangible assets	1,513	65	2,258	21,586	6,345	5,183	30,192	508	25,077
Tax assets	10,927	182	222	1,669	254	86	469	436	3,053
Other assets	9,862	819	801	6,454	2,478	592	13,793	4,520	13,972
Total assets	164,608	350,012	3,283	33,852	9,090	5,867	44,478	6,682	42,110
Liabilities	31/12/25	31/12/25	31/12/25	31/12/25	31/12/25	31/12/25	31/12/25	31/12/25	31/12/25
Financial liabilities	142,649	320,942	105	9,252	3,914	4,794	4,336	-	-
Tax liabilities	7	113	-	113	-	-	506	849	-
Other liabilities	4,139	5,824	1,997	10,177	2,775	1,426	25,948	1,217	27,890
Staff severance pay	106	20	-	-	-	-	270	187	13
Provisions for risks and charges	12	60	-	-	-	-	-	400	-
Shareholders' equity	17,695	23,053	1,181	14,310	2,401	(353)	13,418	4,029	14,207
Total Liabilities	164,608	350,012	3,283	33,852	9,090	5,867	44,478	6,682	42,110
Profit and Loss Account Items	31/12/25	31/12/25	31/12/25	31/12/25	31/12/25	31/12/25	31/12/25	31/12/25	31/12/25
Net Interest Income	3,341	4,698	-	(321)	(93)	(41)	(483)	(4)	(197)
Net fees and commissions	274	(224)	-	-	-	-	-	-	-
Gains (Losses) on disposal or repurchase	(172)	-	-	-	-	-	-	-	-
Net gain/ (loss) on other financial assets and liabilities measured at fair value through profit or loss	51	-	-	-	-	-	-	-	-
Net Interest Income	3,494	4,474	-	(321)	(93)	(41)	(483)	(4)	(197)
Net impairment losses/reversals	(2,238)	(33)	-	-	-	-	-	-	-
Result of financial operations	1,256	4,441	-	(321)	(93)	(41)	(483)	(4)	(197)
Operating expenses	(7,006)	(4,456)	(68)	(846)	(307)	(393)	(6,741)	(3,645)	(202)
Net provisions for risks and charges	-	(40)	-	-	-	-	-	-	-
Other income (expenses)	365	566	(1)	1,008	(5)	(7)	5,803	5,687	253
Gains (Losses) on disposal of investments	-	-	-	-	-	-	-	-	-
Gross operating profit/(loss)	(5,385)	511	(69)	(159)	(405)	(441)	(1,421)	2,038	(146)
Income taxes	56	(105)	-	(44)	-	-	-	(792)	-
Net profit/(loss)	(5,329)	406	(69)	(203)	(405)	(441)	(1,421)	1,246	(146)

	BIAE S.p.A.	Fucino Finance S.p.A.
CREDIT QUALITY RATIOS	31/12/25	31/12/25
Net non-performing loans in default/Loans to customers	0.85%	0.03%
Net non-performing loans/Loans to customers	10.02%	0.26%
Coverage of non-performing loans	66.19%	74.06%
Coverage ratio for non-performing loans	31.09%	30.53%
CAPITAL RATIOS	31/12/25	31/12/25
Shareholders' equity/ Loans and advances to customers	19.58%	6.63%
Shareholders' equity/Direct funding	47.10%	-
Loans to customers/Total assets	54.89%	99.33%
Direct funding/Total assets	22.82%	-
CAPITAL RATIOS	31/12/25	31/12/25
Total Capital Ratio	30.05%	15.93%
Tier 1 Ratio	27.40%	15.93%
CET 1	27.40%	15.93%

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 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.

As a result, the Group’s Own Funds are composed as detailed in the table below:

	In € thousands	31/12/2025	31/12/2024
A.	Common Equity Tier 1 (CET1) capital before the application of prudential filters of which: CET1 instruments subject to transitional provisions	337,529	278,520
B.	CET1 prudential filters (+/-)	(299)	(380)
C.	CET1 before deductions and the effects of the transitional regime (A +/- B)	337,230	278,140
D.	Items to be deducted from CET1	(27,412)	(33,017)
E.	Transitional regime - Impact on CET1 (+/-)	(1,132)	4,200
F.	Total Common Equity Tier 1 (CET1) capital (C - D +/- E)	308,686	249,323
G.	Additional Tier 1 (AT1) capital before deductions and the effects of the transitional regime of which: AT1 instruments subject to transitional provisions	3,140	3,140
H.	Items to be deducted from AT1		
I.	Transitional Regime - Impact on AT1 (+/-)		
L.	Total Additional Tier 1 (AT1) capital (G - H +/- I)	3,140	3,140
M.	Tier 2 (T2) capital before deductions and the effects of the transitional regime of which: T2 instruments subject to transitional provisions	65,878	21,661
N.	Items to be deducted from T2		
O.	Transitional Regime - Impact on T2 (+/-)		
P.	Total Tier 2 (T2) capital (M - N +/- O)	65,878	21,661
Q.	Total own funds (F + L + P)	377,704	274,124

As part of the Supervisory Review and Evaluation Process (SREP), on 4 November 2024 the Bank of Italy provided notification (initiation of process) of the new additional capital requirements for the Group - confirmed by a communication dated 15 January 2025 - applicable from the consolidated supervisory reports as at 31 March 2025, as set out below:

- Common Equity Tier 1 (CET1) ratio of 10.20%, including the Target component (Pillar 2 Guidance - P2G) of 2% and the capital conservation buffer of 2.5%;
- Tier 1 capital ratio of 12.20%, including the Target component (Pillar 2 Guidance - P2G) of 2% and the capital conservation buffer component of 2.5%;
- Total Capital Ratio of 14.70%, including the Target component (Pillar 2 Guidance - P2G) of 2% and the capital conservation buffer of 2.5%.

The Group is also required to comply with the systemic risk capital buffer requirement; the buffer, set at 1% of risk-weighted exposures for credit and counterparty risk to Italian residents, is to be phased in gradually, providing for a buffer equal to 0.5% of the relevant exposures by 31 December 2024 and the remaining 0.5% by 30 June 2025. Furthermore, from 31 March 2025, the Group is required to maintain, on a consolidated basis, a leverage ratio capital requirement of 3% in line with the minimum regulatory requirements, in addition to a Target component (Pillar 2 Guidance - P2G) of 0.5%.

As at 31 December 2025, the capital ratios are as follows:

- Common Equity Tier 1 (CET1) Ratio of 14.99%;
- Tier 1 Capital Ratio of 15.14%;
- Total Capital Ratio of 18.34%.



Lastly, it should be noted that, by means of a measure dated 19 March 2026, the Bank of Italy communicated the new additional capital requirements for the Group applicable from the consolidated supervisory reports as at 31 March 2026, as set out below⁵:

- Common tier 1 capital ratio (CET1) of 12.70%, comprising an OCR CET1 ratio of 8.20% and a Target component (Pillar 2 Guidance, P2G) of 4.5%;
- Tier 1 ratio of 14.70%, comprising an OCR CET1 ratio of 10.20% and a Target component (Pillar 2 Guidance, P2G) of 4.5%;
- Total Capital ratio of 17.20%, comprising an OCR CET1 ratio of 12.70% and a Target component (Pillar 2 Guidance, P2G) of 4.5%.

With regard to the individual entities of the Group, the Supervisory Authority has not assigned 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.

⁵ To which the institution-specific countercyclical buffer and the systemic risk capital buffer are added

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

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.

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:
 - o perform support tasks for the outsourced corporate control function on the Parent Company;
 - o report to the Board of Directors of the subsidiary and report functionally to the Head of the respective 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;
 - o 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 2025, the Legal and Corporate Affairs Department provided full support to the corporate bodies and organisational units of the Parent Company (and to the other entities within 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 following activities:

- 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 to 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 Group 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 their interests;
- coordinating, 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 subject to third-party foreclosures;

- coordination of legal activities in support of the investees, working alongside the Strategic Investments & Business Analysis Department in the management and enhancement of shareholdings, also handling relations with consultants and lawyers directly appointed by the investee companies;
- support to the relevant corporate units in the technical and legal analysis of strategic choices concerning the Group's shareholdings;
- support - drawing on the specialist support of the other Organisational Units within the Legal and Corporate Affairs Department - to all business units in relation to the analysis, structuring and execution of extraordinary transactions, broadly defined, involving Group entities, including, by way of example only: acquisitions and transfers of legal relationships/businesses/business units, as well as the acquisition and disposal of shareholdings in companies and entities of any nature.

The activities of the NPE Department

The NPE Department, in compliance with the provisions of the Internal Regulations and through the two 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;
- initiated, with the support of appointed external lawyers, legal proceedings and related procedures aimed at protecting and recovering the receivable as well as defending against litigation;
- handled the formalities for the acquisition of collateral (judicial mortgages) to secure the receivable;
- managed non-performing loans (past due, forborne non-performing, and unlikely to pay), 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 2025, the authorised bodies approved 7,632 credit positions for a total amount of credit facilities of €5,313 million. The increase in credit facilities approved during the period amounted to €984 million.

During the current year, the Department set the objective of reducing the proportion of facilities past due within 12 months and of eliminating, or in any event containing, the level of facilities with reviews overdue by more than 12 months. During 2025, the benefit of activities aimed at improving the process and timing for

calling on public guarantees is evident. This resulted in a significant reduction in the average times for activation and for the settlement of amounts. In the year, compensation was paid in respect of 175 cases for a total of approximately €37 million, with an average elapsed time of around 66 days between the first request and payment. With a view to improving the efficiency of monitoring activities relating to loans backed by State guarantees, the function is working with the Organisation Unit to develop a dashboard for the automated monitoring of public guarantees, which will enable the production of comprehensive reporting containing all the data required to oversee timelines and activities across the various stages of guarantee management.

As regards credit monitoring and following internal analyses of the logic and parameters to be used for the implementation of the project, operational work has begun on measures to strengthen the Credit Monitoring framework. This is in response to the identified need to integrate the set of financial alerts (AQR) in the CQM procedure in order to enable remedial action on relationships as soon as signs of economic and financial difficulty emerge and to ensure coherent classifications, especially in terms of timeliness. The outcome of the processing obtained during the testing phase and according to the indicated parameters will allow the appropriate tuning and sizing activities to be carried out on the identified clusters. Origination alignment measures will follow in order to ensure consistent underlying assumptions for the assessment of creditworthiness at every stage of the credit process while still complying with different logics and purposes.

During 2025, an important project was launched to review the Credit Policy process, the effects of which will already be implemented from 2026. The project is currently at an advanced stage of implementation.

The activities of the Risk Management Function

During 2025, 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 2025 Report and related templates;
- the updating of the Risk Appetite Framework documentation (RAF, RAS and Major Transactions (OMR) Policy) applied 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 monitoring activities 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);
- 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;

- contribution to the drafting of the “Policy for the Accreditation of Insurance Companies and the Monitoring of Concentration Risk”, with the aim of monitoring the Banking Group’s exposure to concentration risk towards insurance companies;
- supporting 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;
- the performance of the double materiality assessment (Impact Analysis and Financial Materiality), with the aim of identifying the material risks and opportunities that the Group is required to disclose as at 31 December 2025 in accordance with the European CSRD Directive;
- contribution to the project to align with the EBA Guidelines on the Management of ESG Risks, which the Group will be required to comply with from January 2026, with particular reference to the activities to align with requirements in the area of stress testing on climate risk factors;
- the implementation the new *staging* and *impairment* model for performing loans, specific to the Cessione del Quinto technical form, developed by CRIF.

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 internal control system, the Compliance Function is responsible for analysing, measuring and overseeing compliance risk, without prejudice to its “indirect” responsibility for the so-called “specialist” controls - assigned to the respective business units - in relation to regulations characterised by particular technical complexity (such as, for example, those concerning taxation, financial reporting, employment law and occupational health and safety). Compliance risk is defined as the risk of incurring judicial or administrative sanctions, significant financial losses or reputational damage as a result of breaches of mandatory provisions (laws and regulations) or self-regulatory standards (e.g. articles of association, codes of conduct and self-regulatory codes). 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 2025, in continuity with previous years, the core activities within the remit of the Compliance Function were carried out, primarily including: ex ante controls within the approval process for innovative projects and new products and services, advisory support to the corporate bodies and business units through the issuance of opinions and recommendations, as well as ongoing monitoring of regulations applicable to the Bank, with the related review of the Group’s procedural and contractual framework. In this regard, the Compliance Function carried out ex ante verification activities in relation to the updating and/or implementation of internal policies, in line with legislative and regulatory developments occurring during the period. The Function took part in the projects launched by the Group during the year due to changes in external reference regulations and/or on the basis of the Group’s business needs.

In this context, for example, the Function was involved in the activities envisaged in projects relating to:

- i) changes in the area of instant transfers and the continuation of the related analyses;
- ii) communications to the Bank of Italy system regarding claims of unauthorised payment transactions;
- iii) Transparency matters, in relation to the Remediation and Compensation Plan communicated to the Bank of Italy in the context of the supervisory inspections carried out by the Authority;
- iv) the Digital Operational Resilience Act (so-called DORA);
- v) the *Corporate Sustainability Reporting Directive* (CSRD), relating to the reporting of the Group’s commitments and the results achieved in the ESG area;
- vi) impact analyses relating to Regulation (EU) 2024/1689 (the so-called AI Act);
- vii) to changes made to the pre-contractual documentation (so-called MUP) following the Measures issued by IVASS during the year relating, among other things, to the establishment of the Insurance Arbitrator (Measure no. 147 of 2024 and Measure no. 163 of 2025).

The Function also participated in the continuation of the programme relating to the implementation and finalisation phase of the Group’s three-year ESG Plan 2023-2025, approved on 29 March 2023 by the Board of Directors of the Parent Company and prepared taking into account supervisory expectations regarding climate and environmental risks. In addition, the Function continuously monitored Civil Protection Ordinances following the exceptional weather events that occurred over the years, as well as Decree-Laws on the suspension of mortgages and resolutions of the Presidency of the Council of Ministers extending the state of emergency that extended the suspension of mortgages. The Function also circulated to the relevant organisational units notifications concerning information updates, impact assessments and alerts regarding

the issuance of regulatory and non-regulatory measures, at both national and supranational level, as well as guidelines and recommendations issued by the competent authorities, such as - by way of example - the new ANAC Guidelines on internal reporting and amendments to the Guidelines on external reporting; numerous national and supranational regulatory measures and Recommendations/Guidelines relating to AML, Risk Management, financial reporting and accounting, transparency, data protection, Artificial Intelligence and Cybersecurity; clarifications issued by the Bank of Italy on various specific matters; multiple notifications of updates to Templates and the Data Point Model in the field of supervisory reporting; draft legislative decrees relating to consumer credit agreements and distance financial contracts; and national and secondary-level regulations concerning employment law, social security and taxation.

In carrying out the above-mentioned advisory activities within its remit, the Compliance Function was also required to participate - as customary, in accordance with the applicable internal procedures - in meetings of the Group Product Committee, as well as the Finance Committee and the Management Committee where matters of relevance were included on the agenda. The Function also attended the periodic meetings of the “Observatory for monitoring safeguards relating to usury risk”, as well as the sessions of the “Technical Outsourcing Committee”, within which the Function - together with the other relevant structures - is required to provide a formal assessment of the outsourcing agreement submitted to the Committee, in accordance with the Group Banking Policy on outsourcing.

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.

In addition, during the year, the Function collaborated in the training activities of the Group’s staff, supporting the Human Resources Directorate in defining the compulsory training envisaged in the 2025 Training Plan.

The Function also ensured the transmission of information flows to the corporate bodies and the relevant Functions in compliance with internal procedures, as well as to the Supervisory Authorities (such as the Bank of Italy and Consob) in response to specific requests for data and information received during 2025.

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 referred to as the “AML Function”, the “Function” or the “AML Unit”) continuously verifies the adequacy of the process for managing risks related to money laundering and terrorist financing, as well as the effectiveness of the internal control system, identifying the applicable regulations governing 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 mitigating the related risks. The Function is positioned within the “Control Division” of the Parent Company Banca del Fucino, a division established in June 2022 as

part of the broader review of the Group's second-level control functions. The Division in question currently comprises 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 constituting components of the Risk Management Function), as well as the ICT & Security RM O.U.; each of the aforementioned units is headed by a Manager who, in turn, reports to the Head of the Controls Division. The latter has been assigned the responsibilities provided for by the Supervisory Provisions in force from time to time for each of the control functions: the Head of the Control Division therefore holds the role of corporate Head for the Risk Management Function, Compliance and Anti-Money Laundering.

Following the amendments introduced in August 2023 to the Bank of Italy Regulation on Organisation, Procedures and Internal Controls ⁶, which established the role of the Corporate Officer responsible for anti-money laundering, the Bank opted for the Anti-Money Laundering Function to report directly to the Management Body with strategic management and supervision responsibilities and to the Body with control functions, specifying in its Policy the cases in which the Function is required to report directly or through the Officer responsible for anti-money laundering (it being specified that such role has been designated for each of the entities forming part of the banking group). With regard to the subsidiaries - i.e. i.e. Banca Italiana per l'Ambiente e per l'Energia ("BIAE", formerly Igea Digital Bank) and Fucino Finance S.p.A., the internal control system provides for the centralisation of second-level control functions at the Parent Company, placing them within the Control Division and assigning responsibility for the individual functions to the Head of the Division, in addition to the appointment, within each subsidiary, of a designated liaison officer.

With specific reference to the responsibilities outlined above, during the reporting period the AML Organisational Unit carried out a revision of the Group AML Policy in order to incorporate supranational guidance concerning the management and assessment of the risk of exposure to restrictive measures, applicable from 30 December 2025⁷.

In addition, the Function collaborated in the implementation of the interventions carried out by the Bank with the outsourcer Cedacri aimed at:

- i. ensuring that the Bank's systems and procedures comply with the legislation concerning the prevention of financing of companies involved in the production of anti-personnel mines, cluster munitions and

⁶ Reference is made to the Bank of Italy Measure of 1 August 2023 introducing amendments to *the provisions on organisation, procedures and internal controls aimed at preventing the use of intermediaries for the purposes of money laundering and terrorist financing*, which - as noted above - introduced the role of the Corporate Officer responsible for anti-money laundering. Following the publication of the aforementioned regulatory amendment, the second paragraph of point 1.1 of the referenced Provision was revised as follows: "The Anti-Money Laundering Function reports - directly or through the officer responsible for anti-money laundering - to the bodies performing strategic supervision, management and control functions and has access to all activities of the entity 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". For completeness of disclosure, it is also considered useful to recall that, in Part Two of the Provision, as amended ("Organisational arrangements safeguarding against money laundering risks"), a new Section III-bis entitled "Officer responsible for anti-money laundering" has been introduced, governing the appointment, the requirements and conditions deemed necessary for the performance of such role, the provisions to be included in the Policy, as well as the description of the role and the duties assigned thereto.

⁷ This refers to the *EBA/GL/2024/14 Guidelines on policies, procedures and internal controls to ensure the implementation of Union and national restrictive measures*, with which the Bank of Italy declared its intention to comply in a notice dated 8 April 2025. These Guidelines therefore constitute supervisory guidance for intermediaries subject to Bankit (Bank of Italy) supervision.

submunitions, both through requesting the integration of the so-called “negative lists” (in order to mitigate the risk of potential involvement of financing beneficiaries in the above-mentioned category) and by contributing to the drafting of a Circular which - in addition to procedural aspects - provided the Bank’s organisational units with guidelines for the proper operational management of the process;

- ii. adapting to the new ATECO classifications (“ATECO 2025”) by revising the previously existing framework. In both cases, these interventions had significant impacts on internal procedures.

The Function also took part in the working groups organised by the Italian Banking Association on the main topics of interest to the sector.

Activities of engagement with the outsourcer Cedacri continued in order to ensure the ongoing updating of the Bank’s so-called “country lists”, with the aim of ensuring the correct allocation of risk scores to customers who are resident in, or hold citizenship of, jurisdictions considered to present a higher risk of money laundering according to the lists published by the European Union and the Financial Action Task Force (FATF), as well as to ensure the application of operational restrictions in cases provided for by applicable regulations. This is intended to ensure compliance with regulatory provisions requiring the application of enhanced due diligence measures in relationships with the aforementioned categories of customers. The Function also participated in the preparatory activities for the production deployment of the Faraday diagnostic system (it should be recalled that this transaction monitoring tool is already in use at the Parent Company) at the subsidiary BIAE. During the year, the Function was significantly involved in supporting and responding to the Bank of Italy’s inspection activities, conducted between 24 February and 11 July 2025. The activities mainly consisted of discussions with the inspection team – attended by the Company’s AML Manager and the Head of the Organisational Unit, the latter also in his capacity as the Company’s designated officer for Suspicious Transaction Reporting – as well as reviews of the Bank’s processes and of the inspection samples, for which the Bank’s branches were also involved. The organisational unit also managed the periodic transmission of information flows to the corporate bodies in accordance with the timelines established under self-regulatory provisions, namely, for each institution, the so-called “Annual Report” on activities carried out in 2024, the results of the anti-money laundering risk self-assessment exercise for 2024 and the half-yearly disclosures relating to suspicious transaction reports, activities performed by the AML Function with reference to each institution within the Banking Group. In compliance with internal and external regulatory requirements, the Unit also ensured the submission to the Supervisory Authority of the periodic reports required under the applicable regulatory framework, including the data collections requested in recent years by the Financial Intelligence Unit for Italy (“UIF”) for the monitoring of relationships with Russian citizens. In accordance with the principle of active cooperation, the Unit responded to requests for information received from the UIF concerning customer transactions, as well as to requests submitted by the Ministry of Economy and Finance (MEF) in relation to transactions potentially relevant under the Anti-Money Laundering Decree.

The O.U. participated in the data collection activities required of intermediaries by the Bank of Italy as part of the project to review the methodologies for assessing money laundering and terrorist financing risk (so-called ‘AML Questionnaire’), and also managed the submission to the Italian Revenue Agency of the information flows relating to the so-called ‘Tax Monitoring’ requirements. The Function also carried out, in

coordination with the Officer responsible for Suspicious Transaction Reporting, reviews of potential suspicious transactions to be reported to the UIF, including assessments of the appropriateness of the evaluations performed by the first line of defence regarding customer transactions. 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 had been omitted. The organisational unit also continued to perform its routine support and advisory activities for operational structures, in particular through its involvement – in cases provided for by internal regulations – in the process for authorising the establishment or continuation of relationships with customers classified as “high risk”. 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.

Activities also continued relating to the assessment of profiles relevant from a reputational and potential money laundering risk perspective, which, in accordance with internal regulations, the Unit is required to carry out in advance on third parties to be engaged for the promotion and distribution of the Bank’s products in compliance with applicable regulatory requirements, on potential counterparties in securitisation transactions and initiatives submitted by the Investment Banking Division, on counterparties involved in so-called “transactions of greater significance”, as well as on 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 accordance with the provisions of the relevant internal policies, support activities to the Ethics Committee also continued through the preparation of dedicated reports concerning any anti-money laundering issues relating to prospective shareholders of the Bank in connection with approved capital increase transactions. 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 2025, the O.U. carried out its periodic self-assessment of AML/CFT risks for the year 2024. As a result of the aforementioned activity, which was completed in April 2025, the overall residual risk was found to be “Low” (in line with the previous year).

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 audit engagements that may be requested by Senior Management, the Board of Statutory Auditors, the Supervisory Body pursuant to Legislative Decree 231/2001 and/or the Supervisory Authorities, or arising from emerging risks associated with 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.

Consistent with the governance model adopted by the Group, with regard to audit activities relating to the

subsidiaries Banca Italiana per l'Ambiente e l'Energia and Fucino Finance, dedicated liaison officers have been appointed, reporting functionally to the Head of Internal Audit of the Parent Company.

The audit plan adopted for the year 2025 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/Recovery Plan 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.

Finally, as part of the inspection carried out by the Bank of Italy during the year, the Function was involved in discussions with the Authority regarding specific in-depth meetings and the provision of documentary evidence relating to the Internal Audit activity.

In view of the findings of the inspection, the board of directors launched a specific project initiative aimed at implementing remediation actions to address the issues highlighted by the Supervisory Authority, in which the Function is engaged in preparing and implementing the identified projects.

1. General Information

1.1. Basis for preparation

ESRS 2 BP-1

1.1.1. General basis for preparation of the Sustainability Report

This document represents the second year of Sustainability Reporting of the Igea Banca Banking Group (hereinafter the 'Group'), prepared in accordance with Legislative Decree No. 125 of 6 September 2024 implementing the European Union's Corporate Sustainability Reporting Directive (CSRD) and in compliance with the reporting standards developed by the European Financial Reporting Advisory Group (EFRAG).

In view of the recent regulatory developments introduced by the European Commission on sustainability reporting, the Group has put in place monitoring activities to take account of regulatory updates and assess any changes relating to the scope of application of sustainability reporting obligations.

In line with the methodology adopted in the previous reporting period, the Group has applied the implementation guidance issued by EFRAG, including Implementation Guide 3: ESRS Data Points List (IG-3), in order to ensure the proper translation of quantitative and qualitative disclosure requirements into relevant and measurable data. Quantitative information is presented with the corresponding ESRS ID, ensuring **transparency** and **traceability** of the information disclosed in the financial statements.

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 2025 - 31 December 2025 and is published on the Group's 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 (PwC), which also carries out the statutory audit of the 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. For information relating to the European Taxonomy, please refer to the specific paragraph "2.1. The European Taxonomy of Environmentally Sustainable Activities - Disclosure pursuant to Article 8 of Regulation 2020/852 (EU Taxonomy Regulation)".

The Board of Directors of the Parent Company Banca del Fucino approved this Sustainability Report on 26 March 2026.

With reference to the scope of consolidation, it should be noted that this coincides with that of the Group's Consolidated Financial Statements and comprises Banca del Fucino S.p.A., BIAE S.p.A. and Fucino Finance S.p.A. The companies accounted for using the equity method and included within last year's scope (E-Way Finance, E-Way Wind, E-Way Solar, E-Way Baseline 2.0 and HoldCo) are joined this year by Water Environment

Energy S.r.l. (W.E.E.), operating in the water sector, 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. Consistent with the assessments carried out during the 2024 financial year, Edilizia Pineto S.p.A. (a non-operating entity responsible for the management of a pinewood area in the heart of Rome), included within the scope of consolidation and accounted for using the equity method, does not present any significant ESG-related impacts, risks or opportunities. The Group's Sustainability Report covers all segments of the value chain upstream and downstream, 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 segment of the value chain 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 ESRS 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 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.

ESRS 2 BP-2

1.1.2 Disclosures in relation to specific circumstances

The 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 and forms part of the process of strengthening the Group's ESG governance system, aimed at ensuring increasingly integrated and transparent management of information.

Should a re-analysis of ESG data be necessary, this will be adequately documented in the official reporting.

Sources of estimation and outcome uncertainty

In line with the methodology adopted in the previous reporting year, the Group made use of estimates with reference to the calculation of consumption and emissions relating to a specific office of 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

2025 represents the second reporting year with the application of the European Sustainability Reporting Standards (ESRS). Therefore, with specific reference to the relevant quantitative information, the results of the analyses conducted during the previous reporting period (year n-1) will be provided as comparative data.

All information needed to meet ESRS requirements is included in the Consolidated 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 has been carried out taking into account additional internationally recognised regulations, standards and frameworks. Among these, for sustainability reporting purposes, particular reference is made to Regulation (EU) 2020/852 on the European Taxonomy (for which reference is made to the specific disclosure contained in paragraph 2.1), the United Nations Global Compact (UNGC) and the Greenhouse Gas Protocol (GHG Protocol) for the definition of the methodologies used to calculate GHG emissions.

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

As the Banking Group did not exceed an average workforce of 750 employees as at the 2025 financial year-end, it has applied the phase-in measures for disclosures SBM-3_48, E1-6_11 paragraph 51 AR 46 (Scope 3), E1-9, and, partially, for the social disclosures relating to indicators S1, S2, S3 and S4, deferring their full implementation to subsequent reporting periods. In this context, it should be noted that the Delegated Act allows entities employing fewer than 750 employees on average during the financial year to defer until 2027 the reporting of (i) Scope 3 emissions and total greenhouse gas (GHG) emissions and (ii) the information required under ESRS S1.

1.2. Governance

ESRS 2 GOV-1

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

The Group ensures sound and transparent governance through the active involvement of its administrative, management and supervisory bodies. In particular, these bodies oversee the implementation of the corporate strategy, ensuring the integration of sustainability principles in all operational areas. The governance bodies ensure compliance with industry regulations and monitor the achievement of sustainability objectives, with a particular focus on transparency and alignment with industry best practices.

Governance of Banca del Fucino S.p.A.

Banca del Fucino S.p.A., the Parent Company of the Group, falls within the category of "banks of smaller size or operational complexity" and wholly controls BIAE S.p.A. and Fucino Finance S.p.A., the latter being registered in the single register pursuant to Article 106 of the Italian Banking Act (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 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: 2 (Chief Executive Officer)
- Non-executive members: 10
- 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:

 Mauro Masi Chairman and Independent Director	 Francesco Maiolini Chief Executive Officer
Domenico Pimpinella Vice-chairman (Independent Non-Executive Director)	Bernardino Lattarulo Director
Gabriella Covino Vice-chairman (Independent Board Member)	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.

With reference to the composition of the administrative body, it should be noted that during 2025 there were no changes to the Parent Company's corporate bodies.

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. Women account for 33.3% of the total. The current composition is shown below:

Board of Statutory Auditors		
Valeria Conti Chairman and Standing Auditor		
Eugenio D'Amico Standing Auditor		Gianluca Piredda Standing Auditor

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.

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

ESRS 2 GOV-2

The Group recognises the importance of ensuring a continuous and structured flow of information to the management, executive and control 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 sustainability performance, including information on significant 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 **Risk Committee** of the Parent Company reviews, on a quarterly basis, the effectiveness of risk management policies and the achievement of corporate objectives;
- The **Board of Directors** receives updates at least every six months on **strategic** and **operational risks**, together with specific reports on **ESG-related 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**, ensuring a consistent flow of up-to-date data and scenario analyses to support the Group's strategic decision-making.

During 2025, 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 monitoring the progress of strategic ESG initiatives, with particular focus on coordinating the projects undertaken. To this end, the Committee:

- **Assesses and approves the strategic ESG initiatives** proposed by the competent functions, considering the Group's ESG priorities and the need for optimal management of **climate and environmental risk impacts**. This assessment is carried out in coordination with the **Risk Management** function to ensure an integrated approach.
- **Monitors the implementation of ESG initiatives**, verifying material impacts and the progress of approved projects;
- **Monitors the development of industry best practices**, international principles and market developments relating to ESG factors, drawing up guidelines and recommendations for both the ESG project group and the relevant operational functions.

With reference to the above, the Risk Committee met 15 times during the 2025 financial year: at seven of these meeting, the agenda concerned the ESG Three-Year Plan at the same ties, ESG topics and matters were discussed in the context of the activities of the control functions.

The Board of Statutory Auditors also met 14 times during the 2025 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

ESRS 2 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 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 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

ESRS 2 GOV-4

Table 1 - 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 GOV-3 SBM-3 and related topical references	1.2.2 1.2.3 1.3.3
Engagement with affected stakeholders	MDR-P ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS 2 IRO-1 and related topical cross-references	1.2.2 1.3.2 1.4.1
Identifying and assessing negative impacts on people and the environment	ESRS 2 IRO-1 and related topical cross-references ESRS 2 SBM-3 and related topical cross-references	1.4.1 1.3.3
Taking action to address negative impacts	MDR-A	2.2.2.2

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

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

ESRS 2 GOV-5

The management of the sustainability reporting process is entrusted to the Finance and Accounting Department, under the supervision of the Head of the Administration, Accounting and Operations Division. The Finance Department coordinates the entire ESG reporting process, working with the relevant functions and overseeing the collection of both qualitative and quantitative information relating to the sustainability topics identified as relevant.

Following the identification of material topics, the Finance Department launches the data collection phase by sending specific requests to the Heads of the relevant units. Once this phase has been completed, the Department proceeds to:

- aggregate the results received, in qualitative and quantitative terms;
- verify the completeness and accuracy of the information collected;
- ensure the consistency of the data with that reported in the Consolidated Financial Statements;
- carry out a final review of the Sustainability Report and subsequently shares it with the relevant Group structures.

During the financial year, the Group formalised a specific Policy for Consolidated Sustainability Reporting ('ESG Policy'), which governs the organisational framework and the responsibilities of the parties involved in the process of collecting, managing, monitoring and reporting ESG information, as well as the procedures for the preparation, review, approval and publication of the Sustainability Report. The Policy applies to all organisational units of the Parent Company and to all parties who, in various capacities, are involved in the reporting process, in line with the requirements set out in the ESRS standards and the applicable regulatory framework.

It should be noted that the ESG Unit (established from 2025 within the Communication, Research and Digital Innovation Department) is involved in the preparation of the Sustainability Report and performs a final validation of the information collected, verifying its consistency with the guidelines and objectives defined in the Group ESG Strategic Plan, thereby ensuring alignment between disclosures, strategic planning and the sustainability commitments undertaken.

The final draft of the Report, shared with and validated in terms of content by the relevant structures, is submitted to the Head of the Administration, Budget and Operations Division for the appropriate preliminary assessments prior to submission to the Board of Directors. The Board of Directors approves the Annual Report package, 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 Report with current standards is certified. Subsequently, the Auditing Company, following checks on the data and information contained in the document, issues the assurance opinion of compliance with ESRS standards.

The process described above was structured in order to ensure compliance with the principles of Relevance, Faithful Representation, Verifiability and Understandability of the information provided. In this context, the Finance Department retains responsibility for the overall coordination of the reporting process, in compliance with the applicable regulations.

In order to further strengthen the reliability of the reported information, the Group has begun implementing an internal control system dedicated to the non-financial reporting process, aimed at identifying the main risks and the related control measures, with responsibilities assigned to the relevant functions.

1.3. Strategy

1.3.1. Strategy, business model and value chain

ESRS 2 SBM-1

Banca del Fucino, established in 1923, is an Italian banking institution with a historically established presence in the country. The bank's operations are mainly focused in Lazio, Abruzzo, Sicily and Veneto, where it offers its services to a diverse clientele consisting mainly of individuals, companies and institutions.

The Banking Group operates in two distinct segments:

- Commercial banking;
- Finance and treasury.



Commercial Banking also includes the business lines serving customers managed by the Health & Pharma division and the Private Banking division. Given the ongoing transformation process for BIAE, the “Digital” sector is included, in 2025, within Commercial Banking.

The Igea Banca Group does not operate in any of the sectors listed in ESRS 2 SBM-1 *Strategy, business model and value chain, paragraph 40(d)* (fossil fuels, chemical production, controversial weapons, cultivation and production of tobacco) and, consequently, does not record any revenues attributable to these business areas.

As at 31 December 2025, the Group’s total workforce amounts to 589 employees, of whom 548 belong to Banca del Fucino, 20 to Fucino Finance and 21 to BIAE S.p.A. All employees, totalling 589 resources, operate in Italy.

Banca del Fucino has identified sustainability as one of the main pillars of its strategy, recognising its decisive role as an enabling factor for value creation and for lasting growth over time. From this perspective, the Group is committed to progressively strengthening the integration of ESG criteria within its business model, with a specific focus on investments in the renewable energy sector. In this regard, the Bank has invested in six companies (E-Way Finance, E-Way Wind, E-Way Solar, E-Way Baseline 2.0, HoldCo and W.E.E.), as an expression of the Group’s commitment in the renewables and water sector, with the aim of actively contributing to environmental sustainability and the ecological transition process.

In this regard, it should be noted that during the 2025 financial year the Group expanded its focus to environmental issues linked to the sustainable management of water resources, following the acquisition of an equity interest in Water Environment Energy S.r.l. (W.E.E.) operates in engineering services applied to the integrated water cycle.

The Group takes a proactive approach in managing stakeholder relations, promoting initiatives to strengthen the sustainability of investments and to increase the involvement of financial and business partners. In this context, the aim is to increase the level of transparency and the resilience of assets in a scenario characterised by a growing focus on sustainability issues.

The Group’s value chain develops upstream through relations with suppliers, which mainly consist of financial and technology service providers, and downstream through interaction with a diverse clientele consisting of individuals, companies and institutions, largely attributable to the trade, construction and real estate sectors. In this configuration, the Group qualifies as a financial intermediary, providing products and services aimed at meeting customer needs and supporting the economic development of the communities it serves from a sustainable perspective. 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

ESRS 2 SBM-2

The Group recognises dialogue with stakeholders as a central element of its strategy and business model, considering that the active and structured involvement of stakeholders is an essential prerequisite 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 contributions 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, Members and Shareholders;
- **External stakeholders:** Customers, Suppliers, Local Communities, Universities, Government and Public Institutions, Regulatory Authorities and Trade Unions.

The stakeholder engagement process, already adopted and validated in the previous reporting year, was also confirmed for 2025, in view of its effectiveness in identifying relevant ESG topics and supporting materiality analyses. Stakeholder involvement represents for Banca del Fucino a structured and continuous process, integrated into corporate management and oriented towards building transparent and lasting relationships. Stakeholder engagement is carried out through established practices and formal consultation processes required under applicable regulations, with the objective of identifying stakeholder expectations, fostering dialogue and promoting the continuous improvement of the Group's performance.

ESRS 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.

ESRS 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.

ESRS 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.

ESRS 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 carried out with its stakeholders 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

The Group intends to continue stakeholder engagement through an evolving approach, strengthening dialogue with the various stakeholder categories and expanding 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.

With effect from the 2025 financial year, the ESG Organisational Unit was established, in implementation of the plans set out in the previous reporting period. The ESG Organisational Unit adopts a dynamic and cross-functional approach, strengthening the coordination of sustainability initiatives and expanding the scope of analysis of ESG matters within the Group.

The function plays a central role in coordinating and managing sustainability-related activities, providing operational direction to the various structures involved in ESG projects and ensuring the proper execution of the activities assigned to the individual organisational functions. In collaboration with the Special Corporate Finance and Incentives Department, it oversees the review and updating of the ESG Strategy, contributing to the definition of the actions to be implemented and the related strategic targets.

Key responsibilities include monitoring ESG KPIs, aimed at verifying the achievement of the set objectives, as well as overseeing interactions with the Supervisory Authority through coordination of responses to regulatory consultations and communications on ESG topics.

The ESG Organisational Unit is also involved in the preparation of the Sustainability Plan, in alignment with the Group's strategic guidelines, and participates in national and European ESG working groups, including those organised by the Italian Banking Association (ABI), representing the Bank in initiatives and institutional forums dedicated to sustainability.

In 2025, the Group decided to define its organisational set-up, roles, responsibilities and controls relating to the ESG reporting and monitoring process within a Consolidated Sustainability Reporting Policy, which governs the operating procedures and the safeguards supporting the reliability and consistency of the information disclosed.

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

ESRS 2 SBM-3

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 prepares periodic reports to monitor and prevent potential threats to the Bank's stability, with particular attention to ESG factors and regulatory developments;
- Involvement of the compliance function: The internal control framework 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 Group's governance bodies are responsible for monitoring and managing a broad 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 Group ensures continuous and integrated control of these aspects, helping to strengthen the soundness of the business model and organisational resilience.

With reference to material risks and opportunities, an analysis was carried out to assess the potential occurrence of related events during the financial year and to identify possible correlations with balance sheet, financial and income statement items. This assessment showed that, for the 2025 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).

ESRS E1 SBM-3

For the purposes of identifying and assessing climate risks, the Group has adopted the methodology developed by the supplier Cerved for the identification and assessment of climate risk, in compliance with the CSRD Directive and the ESRS standards. This methodology, already verified and used during the previous reporting year, is consistent with the guidance set out by the ECB.

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.

This 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 upstream value chain exposures for which, as at the reporting date, reliable data were not available and direct operational access was not possible. 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, conducted during 2025 in line with the methodology adopted in the previous reporting year, 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.

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

In line with what emerged in the previous year, the resilience analysis confirmed results that were substantially unchanged compared with 2024. In particular, notwithstanding a share of the portfolio deemed material below the defined materiality threshold of 15%, the sub-topics of climate change mitigation and climate change adaptation were once again considered material, in light of increasing regulatory scrutiny - including by the Bank of Italy and the ECB - and market expectations regarding the integration of climate-related risks into the management of the downstream value chain within the banking sector.

The analysis therefore reiterated that, although the quantitative threshold is not exceeded, exposure to physical and transition risks requires continuous and structured monitoring. Such oversight is particularly relevant with reference to counterparties located in geographical areas more exposed to extreme climate events and to sectors characterised by high emissions intensity, which may be significantly affected by more stringent environmental policies.

In this context, the Bank continues to strengthen the safeguards integrated into credit granting processes, through a more structured ESG approach, which provides for the progressive inclusion of climate indicators in risk models and further in-depth due diligence activities on financed counterparties.

Adaptability of the Climate Change Strategy

The Bank's climate risk management strategy remains consistent with what was carried out in the previous year and is based on the integration of structured monitoring and assessment tools aimed at mitigating exposure to physical and transition risks. The management model provides for continuous updating of the loan portfolio classification, through the use of quantitative and qualitative indicators suitable for identifying and detecting 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 integrates ESG criteria into creditworthiness analyses and considers the assessment of environmental risks in risk pricing models as an element for progressively strengthening the prudential safeguards.

The periodic monitoring of credit exposures and the updating of risk management strategies enable the operating model to remain aligned with regulatory requirements relating to sustainability, strengthening governance of climate-related matters and the structured integration of ESG principles into the Group's strategic decision-making.

ESRS 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 Group has 589 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.

Within the double materiality assessment, relevant opportunities were identified in relation to the material impacts associated with the Group's own workforce. Conversely, no material impacts on the Group's own workforce were identified that could arise from transition plans aimed at reducing negative environmental impacts.

At the same time, with reference to the Group's own workforce, no operations involving a high risk of forced or compulsory labour were identified, nor were any countries or geographical areas in which the Group operates identified as presenting a high 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 further noted that the risks and opportunities identified as material relate to the Group's entire own workforce.

ESRS S2 SBM-3

The 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 continues to implement robust control and verification systems, actively involving workers' representatives. In this context, the memorandum of understanding signed in the previous period with the main trade union organisations, including Fisac CGIL, First CISL and UILCA, strengthens the Institution's commitment to promoting sustainable practices throughout the value chain and ensuring compliance with applicable regulations.

ESRS S3 SBM-3

The Group, through the Parent Company Banca del Fucino, also confirms its commitment to the communities in which it operates for the 2025 financial year, in continuity with what was already described in the previous reporting period. This commitment takes the form of a wide range of initiatives aimed at supporting the economic, social and cultural development of territories, promoting innovation, inclusion and sustainable development. The Group's strategy is developed through actions in the cultural, entrepreneurial, sporting, educational and social cohesion spheres, in the awareness that the economic strength of a banking institution must be accompanied by a contribution to the well-being of local communities and to the enhancement of their specific characteristics.

Over the years, Banca del Fucino has consolidated an integrated approach to sustainability, oriented towards the creation of shared and lasting value. Commitment to communities extends beyond the provision of banking services, taking the form of concrete initiatives aimed at fostering local development, supporting culture and sport, promoting entrepreneurship and strengthening social inclusion. Stable, trust-based relationships with the reference territories represent a strategic element for sustainable growth over the medium to long term.

Key areas of action continue to include support for culture, understood as a driver of individual and collective growth. In this context, the Group continues its collaborations with cultural institutions and its support for

events and initiatives dedicated to enhancing the artistic and cultural heritage of the territories. This commitment also extends to education and training, through programmes aimed at younger generations, designed to foster access to knowledge and promote economic and social awareness.

A focus on innovation and support for entrepreneurship is another pillar of the Group's actions. By financing local projects and supporting the development of small and medium-sized enterprises, Banca del Fucino contributes to strengthening the economic fabric of the territories, with particular attention to digitalisation pathways and initiatives geared towards environmental sustainability.

Sport continues to represent a relevant area of action, understood as a tool for promoting values such as respect, inclusion and participation. Support for sporting events, teams and initiatives, with particular attention to youth sport and projects dedicated to people with disabilities, is part of a vision aimed at promoting a more inclusive and cohesive society.

Social cohesion and support for the most vulnerable groups remain central elements of the Group's actions. Through donations, volunteering activities and partnerships with third sector organisations, Banca del Fucino helps to meet community needs and promote collective well-being, in line with the principles of social responsibility.

The Group's governance ensures the full integration of ESG principles into business strategies and operational activities, guaranteeing constant monitoring of the impacts generated and the definition of objectives geared towards the continuous improvement of sustainability performance.

ESRS S4 SBM-3

In 2025 too, the Group confirms its commitment to continue along the path undertaken, consolidating the initiatives already launched and maintaining an approach geared towards the creation of shared value, in line with the principles of responsibility, transparency and sustainability that guide corporate action.

The 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 material impacts, risks and opportunities

Double Materiality Analysis of Banca del Fucino

ESRS 2 IRO-1

The Double Materiality Assessment is a structured methodological process aimed at identifying the sustainability topics that are material for the Group and its stakeholders, through a systematic and documented approach to identifying and assessing impacts, risks and opportunities. The process is an essential

prerequisite for ensuring reporting that is consistent, transparent and compliant with the relevant regulatory framework as well as a guiding tool for preparing the Sustainability Reporting.

During the year, the Group in fact incorporated and implemented the methodological improvements that emerged in the previous reporting period, strengthening certain procedural aspects of the analysis in order to ensure greater robustness, traceability and consistency with the applicable ESRS standards. In this area, a specific Sustainability Reporting Policy was formalised, which governs the roles, responsibilities, information flows and control safeguards connected with the ESG reporting process, ensuring a structured and consistent methodological framework also for managing the Double Materiality Assessment.

The Group has adopted a rigorous and structured approach to defining material aspects, conducting the analysis in accordance with the new CSRD Directive and with the European Sustainability Reporting Standards (ESRS). In particular, in continuity with what was carried out in the previous reporting period, the Group conducted the double materiality analysis by assessing the impact materiality and financial materiality dimensions. Specifically:

- **Impact materiality (*inside-out*):** assesses the positive and negative impacts, both 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*):** 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 was conducted in successive phases, in continuity with the methodology adopted in the previous reporting period.

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 Group's positioning within the economic and regulatory environment, identifying its connections with 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 Group's value chain was conducted by following the methodology adopted during the previous reporting period, applying a structured approach aimed at understanding operational dynamics and interactions with stakeholders involved across the entire value 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 segment included all operational processes related to the supply chain, encompassing providers of IT, professional and management services, as well as strategic partners supporting 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. Specifically, the analysis highlighted that 96.7% of total lending relates directly to the portfolio of Banca del Fucino, while the remaining 3.3% is attributable to the subsidiaries BIAE and Fucino Finance. At the same time, the assessment of the investment portfolio showed that 93% 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.

Stakeholder identification

The identification of stakeholders followed the process already defined in the previous reporting period, aimed at ensuring the involvement of key stakeholders and their relevance to the bank's activities. Specifically, external and internal stakeholders were identified:

- 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:

- Internal context analysis: assessment of the Bank's ESG policies, review of strategic documentation and evaluation of previously issued sustainability reports.
- External context analysis: benchmarking against key industry standards, analysis of practices adopted by competitors and assessment of the Bank's positioning with respect to ESG frameworks, including MSCI and SASB.

In particular, MSCI ESG Ratings provide an evaluation of companies' long-term resilience to sustainability-related issues, using the ESG Industry Materiality Map to identify the most relevant 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 of impacts, risks and opportunities derived from ESRS standards. The preparation of the long list also started from the findings of the double materiality analysis carried out in the previous year, in order to ensure methodological continuity and build on the evidence already identified in relation to the ESG topics most relevant for the Group. The identification of the IRO long list followed an integrated approach, combining the

analysis of regulatory sources and internal documentation, including the Code of Ethics, the ESG Policy, the ESG Initiatives Plan and the 2024 Sustainability Reporting, in addition to supervisory expectations and the ESRS guidelines, taking into account the market context and benchmarking against comparable operators.

Compared with 2024, the IRO long list underwent a rationalisation process aimed at ensuring a clear, consistent and non-redundant assessment of the matters relevant for the Bank. For each topic identified, a classification was made according to the ESRS structure, with the topic 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) Impact assessment: The assessment of impacts was carried out through a detailed analysis of the positive and negative effects associated with each material sub-topic, considering both current impacts and potential impacts arising from 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) Risk and opportunity analysis: The analysis of risks and opportunities was conducted using a structured methodology that enabled the classification of the main transition and physical risks and the identification of strategic opportunities linked to developments in sustainable finance and the ecological transition.

ESG risk assessment: The analysis included a classification of risks based on 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 assessment of ESG opportunities was performed, focusing on growth areas arising from the evolution of sustainable finance and responsible investment. The opportunities identified were divided into the following categories:

- Enhancement of brand reputation: Strengthening the Bank's reputation 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 (such as Internal Audit, Compliance, Operations, Risk Management and the Special Corporate Finance and Incentives Department). Through one-to-one interviews, it was possible to gather the information necessary to refine the selection of material topics and validate the 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

The assessment phase of material IROs was conducted in continuity with the methodology adopted in the previous year, confirming its approach and validity for the purposes of representing the ESG matters relevant for the Group. The analysis included a structured assessment of both impact materiality and financial

materiality, with the aim of building an integrated and consistent framework of material Impacts, Risks and Opportunities (IROs).

The material impacts identified through the assessment include, in particular, climate risk - with reference to the effects of climate change on the lending portfolio and on credit risk management - as well as social aspects related to corporate governance, with a focus on transparency and regulatory compliance, and digitalisation, as a key factor in 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.

During 2025, as part of the update of the IRO analysis, an assessment was also carried out of potential new impacts, risks and opportunities related to water resources management, in consideration of the Group's recent investment in the company W.E.E.

This analysis made it possible to extend the assessment perimeter to additional environmental aspects beyond those already covered, verifying their relevance in relation to the Group's business model and value chain.

The identification of relevant IROs takes the form of integrating sustainability into decision-making processes and creating tools for ESG measurement. The process forms part of the broader strengthening of climate and social risk management controls, including the use of quantitative metrics to assess the impact of investments and to measure ESG performance associated with the financing granted. The aim is to ensure an increasingly accurate mapping of relevant IROs and a clear, consistent and true representation of the Group's ESG matters.

Sub-topic	Impacts	Current / Potential	Horizon	Perimeter
<i>Climate change mitigation</i>	<i>Positive impact:</i> The Bank contributes to the climate transition by promoting awareness of the topic and supporting, through lending, investments and dedicated initiatives, the development of projects geared towards energy efficiency and the production of energy from renewable sources.	Current	Medium term = 2-5 years	Downstream value chain
	<i>Negative impact:</i> Generation of direct and indirect emissions (e.g. GHG emissions) along the value chain	Current	Short term = 1 year	All

Sub-topic	Impacts	Current / Potential	Horizon	Perimeter
<i>Climate change adaption</i>	Positive impact: The Bank contributes to the climate transition by promoting awareness of the topic and supporting, through lending, investments and dedicated initiatives, the development of projects geared towards energy efficiency and the production of energy from renewable sources.	Current	Medium term = 2-5 years	Downstream value chain
<i>Energy</i>	Negative impact: Energy consumption (from fuel, gas and electricity), although mainly consisting of renewable sources.	Current	Short term = 1 year	Own operations

Sub-topic	Impacts	Current / Potential	Horizon	Perimeter
<i>Water</i>	Positive impact: The Bank contributes to improving the efficiency of the water network and reducing water consumption through investments in innovative engineering solutions for the sustainable and efficient management of water resources, helping to protect the environment and improve services for citizens.	Current	Medium term = 2-5 years	Downstream value chain

Sub-topic	Impacts	Current / Potential	Horizon	Perimeter
<i>Resource inflows, including resource use</i>	Negative impact: Inefficient management of the resources used (including paper, printer toner and stationery) to carry out the Bank's activities leads to high levels of waste, contributing to environmental degradation.	Potential	Medium term = 2-5 years	Own operations
<i>Resource inflows, including resource use</i>	Negative impact: Potential contribution to high levels of resource inflows and use in material-intensive sectors, such as construction and manufacturing, in which the funded counterparties operate.	Potential	Medium term = 2-5 years	Downstream value chain
<i>Resource outflows related to products and services</i>	Negative impact: Potential contribution to high levels of resource consumption and significant generation of material outflows by sectors with high raw material intensity in which the funded counterparties operate.	Potential	Medium term = 2-5 years	Downstream value chain

Sub-topic	Impacts	Current / Potential	Horizon	Perimeter
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, helps to create 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 appraisal objectives (such as career development plans), increases employee motivation and fosters a stimulating and growth-oriented working environment.	Current	Medium term = 2-5 years	Own operations

Sub-topic	Impacts	Current / Potential	Horizon	Perimeter
Working conditions	Positive impact: Ensuring compliance with health and safety conditions in the workplace as well as adequate training on this topic along the value chain helps to steer companies towards greater accountability in preventing workplace accidents.	Current	Medium term = 2-5 years	Downstream value chain

Sub-topic	Impacts	Current / Potential	Horizon	Perimeter
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 particular 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 can support the development of young talent through partnerships with Universities, offering training opportunities and professional growth to highly qualified young people within financial institutions, thereby contributing to innovation and the sector's competitiveness.	Current	Medium term = 2-5 years	Downstream value chain

Sub-topic	Impacts	Current / Potential	Horizon	Perimeter
<i>Impacts related to information for consumers and/or end users</i>	Positive impact: Strengthening investments in innovative technologies, combined with the adoption of advanced cybersecurity systems and clear, accessible communication processes supported by structured feedback collection mechanisms, significantly improves the customer experience and strengthens their trust in the bank, fostering transparent, secure and long-lasting relationships.	Potential	Medium term = 2-5 years	Downstream value chain
	Negative impact: Data confidentiality breaches, a lack of transparency by the bank and poor cybersecurity management lead to a loss of trust among consumers and partners, with the potential deterrence of new users.	Potential	Medium term = 2-5 years	Downstream value chain
<i>Social inclusion of consumers and/or end users</i>	Positive impact: By developing specific and tailored products for all social groups, 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	Impacts	Current / Potential	Horizon	Perimeter
<i>Corporate culture</i>	Positive impact: The bank's ability to generate economic value sustainably and distribute it fairly among shareholders, employees and collaborators, customers and communities helps to create widespread benefits for the entire stakeholder ecosystem.	Current	Medium term = 2-5 years	All
<i>Protection of whistle-blowers</i>	Positive impact: Defining procedures to protect the whistle-blower who uses the channels made available by the institution to raise concerns helps to create an inclusive environment that promotes the bank's system of values.	Current	Short term = 1 year	Own operations

Sub-topic	Impacts	Current / Potential	Horizon	Perimeter
<i>Management of relationships with suppliers, including payment practices</i>	Positive impact: Ensuring strong relationships with suppliers helps to create a stable and reliable collaborative environment, promoting efficiency in operations.	Current	Medium term = 2-5 years	Upstream value chain
<i>Active and passive corruption</i>	Positive impact: Organising meetings and training programmes on corruption increases stakeholders' awareness of this issue and promotes a virtuous system of business conduct.	Current	Medium term = 2-5 years	Own operations

Sub-topic	Risks/Opportunities	Horizon	Perimeter
<i>Climate change mitigation</i>	Opportunity: Investment in projects aimed at using renewable energy.	Medium term = 2-5 years	Downstream value chain
	Transition risk related to the value of the bank's real estate collateral arising 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 deterioration in the creditworthiness of counterparties, driven by the need to transition to a greener economy (for example carbon tax, technological costs and energy costs), may increase the bank's credit risk. (Credit risk)	Medium term = 2-5 years	Downstream value chain
	Opportunity: Creation of new products and services that enable access to new sectors characterised by strong demand for financial solutions, supporting customers on their transition journey towards decarbonisation targets.	Medium term = 2-5 years	Downstream value chain
	Opportunity: Customer loyalty and improved brand reputation thanks to the offer of investment products that provide solutions aimed at mitigating and adapting to climate change.	Medium term = 2-5 years	Downstream value chain

Sub-topic	Risks/Opportunities	Horizon	Perimeter
<i>Climate change adaption</i>	Physical risk: The deterioration in the creditworthiness of counterparties, influenced by the occurrence of physical risk events that require financed parties to incur additional expenses to repair damage (Credit risk)	Short term = 1 year	Downstream value chain
<i>Energy</i>	Opportunity: Promote energy efficiency measures in its branches and head office in order to strengthen the Group's reputation in the medium-to-long term.	Medium term = 2-5 years	Own operations

Sub-topic	Risks/Opportunities	Horizon	Perimeter
<i>Water</i>	Opportunity: Investment in projects aimed at improving the efficiency of the water network, consumption, abstraction and discharge of water.	Medium term = 2-5 years	Downstream value chain

Sub-topic	Risks/Opportunities	Horizon	Perimeter
<i>Resource inflows, including resource use</i>	Risk: Increase in credit risk due to a deterioration in the creditworthiness of counterparties that do not comply with the regulations relating to resource inflows, including resource use, and the outflows associated with products and services. (credit risk)	Medium term = 2-5 years	Downstream value chain

Sub-topic	Risks/Opportunities	Horizon	Perimeter
<i>Equal treatment and opportunities for all</i>	Opportunity: Promoting pay equity policies and gender equality can reduce turnover and increase employee retention, lowering costs related to recruitment and training (cost reduction and increased productivity).	Short term = 1 year	Own operations
	Opportunity: 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: The promotion of inclusion principles for all individuals across the Group, the active listening to employees' needs and expectations, and the design and delivery of targeted inclusion initiatives for specific groups, co-developed with relevant stakeholders, can enhance the Bank's reputation and the level of satisfaction among the Group's stakeholders (e.g. employees).	Short term = 1 year	Own operations

Sub-topic	Risks/Opportunities	Horizon	Perimeter
<i>Working conditions</i>	Opportunity: Definition of appropriate policies aimed at ensuring adequate working conditions for the own workforce (e.g. pay adequacy, social dialogue, work-life balance, health and safety)	Short term = 1 year	Own operations

Sub-topic	Risks/Opportunities	Horizon	Perimeter
<i>Economic, social and cultural rights of communities</i>	Opportunity: Investing in initiatives benefiting the reference communities, such as sustainable development projects, can attract investors and improve financial performance in the long term.	Medium term = 2-5 years	Own operations

Sub-topic	Risks/Opportunities	Horizon	Perimeter
<i>Impacts related to information for consumers and/or end users</i>	Risk: Data security incidents or the compromise of sensitive personal information may generate costs for legal action, fines, compensation and damage	Medium term = 2-5 years	Downstream value chain / own operations
<i>Social inclusion of consumers and/or end users</i>	Opportunity: The development of inclusive financial services, such as microfinance, low-cost bank accounts and financial education programmes, 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

Sub-topic	Risks/Opportunities	Horizon	Perimeter
<i>Corporate culture</i>	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 costs related to turnover and improves productivity. In addition, it can strengthen the corporate reputation, attracting new ethically oriented investors and loyal customers, with a long-term financial return.	Short term = 1 year	Own operations
	Risk: Operational risk related to system breaches in the event of cybersecurity incidents	Short term = 1 year	Own operations

Sub-topic	Risks/Opportunities	Horizon	Perimeter
<i>Active and passive corruption</i>	Opportunity: Investing in ongoing and 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, 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 2025.

ESRS E1 IRO-1

The process of identifying and assessing impacts related to climate change was developed through an impact assessment methodology consistent with the CSRD Directive and the related ESRS standards, based on the analysis of the available documentation, the internal context and the Group's value chain.

For the purposes of determining materiality, impacts related to climate change were also classified according to their nature, positive or negative, and assessed using differentiated criteria: probability, magnitude and scope in the case of positive impacts; probability, magnitude, scope and remediability in the case of negative impacts.

During the activity, the Group examined its operations with the aim of identifying sources of greenhouse gas emissions, both currently present and potentially relevant in the future. The analysis covered direct emissions (Scope 1) and indirect emissions from purchased energy (Scope 2), taking into account the energy carriers used and the operational characteristics of the various company locations. The possible future evolution of emissions was also considered, in relation to the expected changes in energy consumption and the progressive transformation of the energy mix, adopting assumptions that are consistent with the reference scenarios.

Physical Risk Identification and Assessment Process

The identification of physical risks was carried out using an integrated methodology that combines geospatial analysis tools with forecasting models based on recognised scientific data. Each financed counterparty was geolocated, considering both the registered office and any operational units, in order to determine the level of exposure to acute and chronic climate risks.

The analysis included a forward-looking assessment of the evolution of risks over time, through the use of models incorporating climate scenarios with a 2050 horizon, consistent with the projections drawn up by international bodies such as Copernicus and ISpra. Short, medium and long-term time horizons were considered in order to ensure a structured and comprehensive view of the possible dynamics of physical risks.

This approach enabled a detailed mapping of exposure to physical risk, providing the Bank with tools to support portfolio management and the definition of appropriate mitigation measures. The analysis also took into account the degree of exposure to weather events of physical locations, collateral properties and the counterparties' operational activities, based on their respective geographical coordinates, with the aim of estimating the potential impact on assets and operations.

Transition Risk Identification and Assessment Process

Transition risk analysis was developed through a structured model aimed at measuring the degree of exposure of funded counterparties to regulatory, technological and market changes associated with the decarbonisation pathway. The methodology involved a sectoral classification based on ATECO/NACE codes, which made it possible to link each counterparty to the relevant economic sector and assess its vulnerability to greenhouse gas emission reduction targets.

The introduction and use of low-emission technologies were considered as risk mitigation elements, making it possible to distinguish between companies that have already embarked on decarbonisation pathways and entities more exposed to the potential effects of future regulatory developments. This approach made it possible to outline an analytical framework for transition risk, providing the Bank with a clear representation of the possible impacts of climate regulation on the 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 the most relevant transition events and assess the sensitivity of the Bank's assets and activities to these dynamics. The assessment distinguished exposures across short, medium and long-term horizons, also considering the degree of misalignment of certain activities with climate neutrality objectives and the extent of the interventions required to ensure their alignment.

Reducing consumption and improving efficiency are strategic objectives for the Group, which directs its actions towards minimising the environmental impact associated with its operational activities. In this area, the Group has embarked on a path of progressively integrating risk factors linked to the efficient use of resources, promoting a corporate culture focused on environmental protection, encouraging responsible behaviours and strengthening internal processes in order to identify any critical issues and act promptly in compliance with applicable regulations.

In parallel, an analysis of portfolio exposure was conducted to identify impacts, risks and opportunities related to the use of resources, material efficiency and material flows in funded activities. The focus was placed in particular on the construction, real estate services and manufacturing sectors, which represent the predominant share of assets under management. As a result of this activity, the Group's commitment and strategy in relation to ESRS E5, currently being defined, will take into account both direct activities (such as

internal operations and resource consumption at offices and branches) and financed activities (projects and supported companies), with specific reference to the following areas:

1. Material inflows: types and quantities of raw materials used in the financed sectors, with attention to the sustainable sourcing of resources (for example lower environmental-impact construction materials and the use of secondary raw materials in manufacturing);
2. Material outflows: management of end-of-life materials in the financed sectors, with a focus on recovery, reuse and recycling practices consistent with the principles of the circular economy.

The Group, in collaboration with its main IT service provider, Cedacri, is also developing an update to the assessment system used by the credit function. The aim is to introduce adequate controls to integrate and monitor the impacts of ESG factors within the credit process, including in the assessment of counterparties specific criteria on climate change (mitigation, adaptation and energy) and the circular economy.

The scenarios used come from scientifically recognised sources such as the IPCC and Copernicus and have been selected to ensure adequate coverage of plausible risks and uncertainties, taking into account public policies, macroeconomic trends, technological developments and the expected energy mix. These scenarios include narrative components, quantitative parameters and time horizons consistent with the expected impacts and with the Company's strategic planning. The use of these scenarios is consistent with the assumptions underlying the financial statements, as it is based on macroeconomic and sectoral assumptions aligned with the Group's strategic vision.

ESRS E2 IRO-1

As part of the double materiality analysis process conducted in 2025, 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.

ESRS E3 IRO-1

During the 2025 financial year, following the acquisition of an equity stake in Water Environment Energy S.r.l., the double materiality analysis conducted by the Group considered (W.E.E.), the potential impacts, risks and opportunities related to the management of water and water resources along the downstream value chain. In particular, W.E.E. is a company that focuses on the efficiency of water infrastructure and the reduction of losses in distribution networks, offering engineering services and technological solutions applied to the integrated water cycle.

Consequently, the assessment of impacts, risks and opportunities related to water management involved the active participation of the relevant functions and Top Management, ensuring a shared assessment of issues relating to the management of water resources along its downstream value chain. At the date of preparation

of this Report, the Bank does not carry out operational activities that entail a direct impact on the management or consumption of water resources.

ESRS E4 IRO-1

Consequently, the assessment of impacts, risks and opportunities related to water management involved the active participation of the relevant functions and Top Management, ensuring a shared assessment of issues relating to the management of water resources along its downstream value chain. At the date of preparation of this Report, the Bank does not carry out operational activities that entail a direct impact on the management or consumption of water resources.

The double materiality analysis process conducted in 2025 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.

ESRS E5 IRO-1

In order to identify the impacts, risks and opportunities related to resource use and the principles of the circular economy, the Group examined both its own activities and those carried out by the main players along the value chain, with the aim of identifying the stages characterised by greater criticality. The subsequent assessment phase considered the specific characteristics of the companies belonging to the Group, as well as the characteristics of the players included in the relevant value chain and of the reference economic sectors. Although no direct consultations were carried out with the communities concerned, the analysis process involved the participation of Top Management and the relevant corporate functions, ensuring adequate internal oversight in the assessment of the relevant aspects.

ESRS G1 IRO-1

The Group adopts a structured process aimed at identifying and assessing the impacts, risks and opportunities associated with business conduct, based on an analysis that takes into account specific criteria such as the banking sector in which it operates, its scope of operations, its organisational structure and the positioning of Group companies in the reference markets.

The assessment is carried out through internal analysis tools, systematic involvement of relevant stakeholders and comparison with industry benchmarks. Furthermore, the Group adopts an integrated approach that considers the entire value chain, both upstream and downstream, with the aim of ensuring effective monitoring of its operations and of the relationships maintained 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 adoption of effective controls to prevent corruption and money laundering. These aspects help to consolidate the Group's solidity, strengthen investor confidence and reinforce its competitive positioning 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 Climate change mitigation action plan
	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	2.2.2.2 Actions and resources in relation to climate change policies
	Metrics and Targets	

ESRS Standard	Indicator number and description	Paragraph
	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 E3 Water and Marine Resources		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 E3-1	2.3.1.1 Policies relating to water and marine resources
	ESRS E3-2	2.3.1.2 Actions and resources related to water and marine resources
	Metrics and Targets	
	ESRS E3-3	2.3.2.1 Targets related to water and marine resources
ESRS E5 Resource use and Circular Economy		2.4
	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	2.4.1.1 Policies related to resource use and circular economy
	ESRS E5-2	2.4.1.2 Actions and resources in relation to resource use and circular economy
	Metrics and Targets	
	ESRS E5-3	2.4.2.1 Targets related to resource use and circular economy
	ESRS E5-4	2.4.2.2 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	3.1.1.1 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 workforce 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 Standard	Indicator number and description	Paragraph
	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 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

ESRS Standard	Indicator number and description	Paragraph
		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	4.1.1.1 Business conduct policies and corporate culture
	ESRS G1-2	4.1.1.2 Management of relationships with suppliers
	ESRS G1-3	4.1.1.3 Prevention and detection of corruption and bribery
	Metrics and Targets	
	ESRSG1-4	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 Regulation (EU) 2020/1816		Not relevant for the Group
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 - Indicators of potential climate 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	Annex I, Table 1, Indicator No. 5 and				Not relevant for the Group

Disclosure requirements and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Paragraph
(only high climate impact sectors), paragraph 38	Annex I, Table 2, Indicator No. 5				
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 - Indicators of potential climate transition risk: Credit quality of exposures by sector, emissions and residual maturity	Articles 5(1), 6 and 8(1) of Delegated Regulation (EU) 2020/1818		2.2.3 Metrics and Targets
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; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Template 5: Banking book - Indicators of potential climate 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 secured by immovable property - Energy efficiency of collateral			Subject of omission due to transitional provision
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	Annex I, Table 1, indicator No. 8;				Not relevant for the Group

Disclosure requirements and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Paragraph
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 2, indicator No. 2; Annex 1, Table 2, indicator No. 1; Annex I, Table 2, indicator No. 3				
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
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

Disclosure requirements and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Paragraph
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
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)

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.

During the financial year, a number of significant regulatory developments relating to the EU Taxonomy were introduced as part of the sustainability reporting simplification package (the “Omnibus Directive”) and implemented through Delegated Regulation (EU) 2026/73, which amends and supplements Delegated Regulation (EU) 2021/2178 on disclosure requirements for credit institutions and financial undertakings.

The regulatory changes are intended to make the EU Taxonomy reporting system more proportionate and clearer, introducing, among other things, a streamlining of the disclosure templates, greater standardisation of the information required for the purposes of calculating the Green Asset Ratio (GAR) and a simplification of certain categories of exposures included in the scope of the indicator.

The Group constantly monitors developments in the European and national regulatory framework on sustainability through a dedicated internal regulatory monitoring forum, aimed at promptly assessing any regulatory updates that may affect non-financial reporting processes. In light of the developments introduced during the year, the Bank has therefore decided, for the purposes of this disclosure, to adopt the updated version of the Disclosure Delegated Act as amended by Delegated Regulation (EU) 2026/73, incorporating the changes provided for in terms of the structure of the disclosure templates and the calculation methodology. Consistent with this regulatory update, the Bank used the new templates provided for by the updated framework, excluding the reporting of Template XII, relating to economic activities associated with fossil gas and nuclear energy, as it is not applicable to the Bank’s business model and asset portfolio. The modalities for applying the EU Taxonomy and the results of the analysis carried out are described in the following paragraphs.

2.1.1 Methodological Approach

The disclosure on the EU Taxonomy is prepared with reference to the prudential consolidation scope of the Gruppo Bancario Igea Banca.

In this context, the main indicator required by the regulation, the Green Asset Ratio (GAR), is calculated on the assets included in the scope defined by Annex V to Delegated Regulation (EU) 2021/2178, as amended by the above regulatory update. Consistent with the regulatory provisions, exposures to central governments, central banks and supranational bodies are excluded from the calculation of the GAR, as are additional categories of assets which, under the new provisions introduced by Delegated Regulation (EU) 2026/73, are not to be considered in either the numerator or the denominator of the indicator. In particular, the following are excluded:

- financial assets held for trading;
- on-demand interbank loans;

- exposures to undertakings that are not obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU;
- derivatives;
- cash and cash balances;
- other categories of assets not directly attributable to financial exposures to counterparties, such as goodwill and other similar assets.

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.

For 2025, the turnover-based GAR (Turnover Based) is 1% while the investment-based GAR (CapEx Based) is 1.3%. The increase in the Green Asset Ratio (GAR) percentage recorded during the period is mainly attributable to the adoption of the new calculation methodology, as amended by Delegated Regulation (EU) 2026/73.

In particular, the new methodological framework provides for the exclusion from the numerator and denominator of the GAR of certain categories of assets previously considered in the calculation of the indicator. This revision of the scope resulted in a reduction in the overall value of exposures included in the denominator, with a consequent increase in the percentage of eligible and Taxonomy-aligned assets compared with the methodology applied in the previous financial year.

In order to ensure comparability of information over time, comparative data for the 2024 financial year are presented in accordance with the methodology applicable at that time, without restating the figures on the basis of the new regulatory framework.

This year too, the Group's GAR is made up of exposures that mainly contribute to the climate change mitigation objective.

2.1.2 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 carried out during the previous reporting period, the identification of undertakings subject to Sustainability Reporting disclosure requirements was performed in accordance with 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 ratios of the Bank's exposures to undertakings subject to the CSRD reporting obligation was based on the corresponding eligibility and alignment percentages disclosed in their respective sustainability statements, identifying the relevant KPI shares broken down by environmental objective.

With regard to exposures relating to debt securities, equity instruments, loans and advances granted to non-financial undertakings, the assessment of eligibility and alignment was performed by weighting the gross carrying amount of exposures based on two parameters: the proportion of annual turnover eligible and aligned with the EU Taxonomy (Turnover) and the proportion of annual capital expenditure eligible and aligned with the EU Taxonomy (Capex) for each counterparty analysed.



2.1.3 Results

Template 0 - Summary of KPIs to be disclosed by credit institutions in accordance with Article 8 of the Taxonomy Regulation

2025		Total exposures to Taxonomy-aligned activities (currency: € thousands)		KPI %	KPI %	Coverage % (of total assets)	Non-assessed exposures (% of covered assets)	Non-assessed exposures (% of covered assets)
		Based on turnover	Based on CapEx	Based on turnover	Based on CapEx		Based on turnover	Based on CapEx
Main KPI	GAR (green asset ratio) for portfolio stock exposures	8,010 €	10,545 €	1.00%	1.31%	14.50%	0.00%	0.00%
2025		Total exposures to Taxonomy-aligned activities (currency: € thousands)		KPI %	KPI %	Coverage % (of total assets)	Non-assessed exposures (% of covered assets)	Non-assessed exposures (% of covered assets)
		Based on turnover	Based on CapEx	Based on turnover	Based on CapEx		Based on turnover	Based on CapEx
Additional KPIs	GAR (flow)	1,976 €	2,557 €	1.86%	2.41%	4.13%	0.00%	0.00%
	Financial guarantees	-	-	-	-	-	0.00%	0.00%
	Financial assets under management	-	-	-	-	-	0.00%	0.00%

Template 0 - Summary of KPIs to be disclosed by credit institutions in accordance with Article 8 of the Taxonomy Regulation (Year 2024)

Amounts in € millions		Total green assets (1)	KPI (based on counterparty turnover)	KPI (based on counterparty CapEx)	Coverage % (of total assets)	% of assets excluded from the GAR numerator (Article 7, paragraphs 2 and 3, and point 1.1.2 of Annex V)	% of assets excluded from the GAR denominator (Article 7, paragraph 1, and point 1.2.4 of Annex V)
Main KPI	GAR (green asset ratio) for portfolio stock exposures	11.74	0.3%	0.4%	73.8%	59.7%	26.2%
Amounts in € millions		Total green assets	KPI (based on counterparty Turnover)	KPI (based on counterparty CapEx)	Coverage % (of total assets)	% of assets excluded from the GAR numerator (Article 7, paragraphs 2 and 3, and point 1.1.2 of Annex V)	% of assets excluded from the GAR denominator (Article 7, paragraph 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%			

Template 1: Assets for the calculation of GAR (Turnover)

2025	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
Portfolio stock (€ thousands)	Total (gross) carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown by environmental objective						Of which use of proceeds	Of which transitional	Of which qualifying	Exposures not assessed	Of which financing non-relevant activities of counterparties	Of which exposures financing counterparties making the declaration pursuant to Article 7(9)	Of which not assessed and considered non-material by the credit institution
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and Marine Resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)							
GAR - Assets covered in both the numerator and the denominator	802,750	197,932	8,010	5,906	1	206	18	0	-	-	-	-	-	-	-	-
Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	70,324	15,629	6,131	5,906	1	206	18	0	-	-	-	-	-	-	-	-
Financial undertakings	51,393	8,638	1,382	1,382	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	35,078	4,289	798	798	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including use-of-proceeds financing	15,131	4,019	541	541	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	1,184	329	43	43	-	-	-	-	-	0	-	-	-	-	-	-
Non-financial undertakings	18,931	6,991	4,749	4,523	1	206	18	0	-	-	-	-	-	-	-	-
Loans and advances	9,806	4,808	3,732	3,508	-	206	18	0	-	-	-	-	-	-	-	-
Debt securities, including use-of-proceeds financing	2,718	196	52	52	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	6,406	1,988	965	964	1	-	-	-	-	-	-	-	-	-	-	-
Households	732,426	182,303	1,879	-	-	-	-	-	-	-	-	-	-	-	-	-
of which loans secured by residential property	222,621	182,303	1,879	-	-	-	-	-	-	-	-	-	-	-	-	-
of which loans for building renovation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans to local public administrations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing of residential housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other loans to local public administrations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real estate collateral obtained through repossession: residential and commercial properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures included on a voluntary basis	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total GAR assets	802,750	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Template 1: Assets for the calculation of GAR (CapEx)

2025		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
Portfolio stock (€ thousands)		Total (gross) carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown by environmental objective						Of which use of proceeds	Of which transitional	Of which qualifying	Exposures not assessed	Of which financing non-relevant activities of counterparties	Of which exposures financing counterparties making the declaration pursuant to Article 7(9)	Of which not assessed and considered non-material by the credit institution
					Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and Marine Resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)							
0	<u>GAR - Assets covered in both the numerator and the denominator</u>	802,750	204,617	10,545	8,051	253	356	6	-	-	-	-	-	-	-	-	-
2	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	70,324	22,315	8,666	8,051	253	356	6	-	-	-	-	-	-	-	-	-
3	Financial undertakings	51,393	9,292	1,358	1,358	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	35,078	4,361	584	584	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including use-of-proceeds financing	15,131	4,592	722	722	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	1,184	338	52	52	-	-	-	-	-		-	-	-	-	-	-
7	Non-financial undertakings	18,931	13,023	7,309	6,694	253	356	6	-	-	-	-	-	-	-	-	-
8	Loans and advances	9,806	6,167	5,280	4,740	178	356	6	-	-	-	-	-	-	-	-	-
9	Debt securities, including use-of-proceeds financing	2,718	568	421	421	-	-	-	-	-	-	-	-	-	-	-	-
10	Equity instruments	6,406	6,288	1,607	1,532	75	-	-	-	-		-	-	-	-	-	-
11	Households	732,426	182,303	1,879	-	-		-			-	-	-	-	-	-	-
12	of which loans secured by residential property	222,621	182,303	1,879	-	-		-			-	-	-	-	-	-	-
13	of which loans for building renovation	-	-	-	-	-		-			-	-	-	-	-	-	-
14	of which motor vehicle loans	-	-	-	-			-			-	-	-	-	-	-	-
15	Loans to local public administrations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Financing of residential housing	-	-	-	-	-					-	-	-	-	-	-	-
17	Other loans to local public administrations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Real estate collateral obtained through repossession: residential and commercial properties	-	-	-	-	-		-			-	-	-	-	-	-	-
19	Exposures included on a voluntary basis	-	-	-	-	-		-			-	-	-	-	-	-	-
20	Total GAR assets	802,750	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Template 1: Assets for the calculation of GAR (CapEx)

[illegible]

Template 1: Assets for the calculation of GAR - Flow (Turnover)

2025	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
Flow in € thousands	Total (gross) carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown by environmental objective						Of which use of proceeds	Of which transitional	Of which qualifying	Exposures not assessed	Of which financing non-relevant activities of counterparties	Of which exposures financing counterparties making the declaration pursuant to Article 7(9)	Of which not assessed and considered non-material by the credit institution
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and Marine Resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)							
GAR - Assets covered in both the numerator and the denominator	106,102	46,152	1,976	1,976	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	50,653	8,107	1,185	1,185	-	-	-	-	-	-	-	-	-	-	-	-
Financial undertakings	47,240	7,725	968	968	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	34,641	4,222	511	511	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including use-of-proceeds financing	12,599	3,503	457	457	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial undertakings	3,414	382	217	217	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	3,414	382	217	217	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including use-of-proceeds financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	55,448	38,045	790	790	-	-	-	-	-	-	-	-	-	-	-	-
of which loans secured by residential property	55,448	38,045	790	790	-	-	-	-	-	-	-	-	-	-	-	-
of which loans for building renovation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans to local public administrations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing of residential housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other loans to local public administrations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real estate collateral obtained through repossession: residential and commercial properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures included on a voluntary basis	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total GAR assets	106,102	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Template 1: Assets for the calculation of GAR - Flow (Turnover)



21	Assets not included in the GAR calculation	2,462,204	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Central governments and supranational issuers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Exposure to central banks	400,373	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Trading portfolio	2,773	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Undertakings and entities not subject to the CSRD	1,322,893	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure requirements	1,322,893	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Loans and advances	1,276,840.29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	of which loans secured by commercial real estate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	of which loans for building renovation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Debt securities	38,403	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Equity instruments	7,650	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Non-EU counterparties not subject to CSRD disclosure requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Derivatives	53	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	On-demand interbank loans	9,946	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Cash and cash equivalents	24,631	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Other categories of assets (e.g. goodwill, inventories, etc.)	701,535	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Total assets	2,568,305	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures (stock) to undertakings subject to CSRD disclosure requirements and local public administrations																			
41	Financial guarantees	-														-	-		
42	Financial assets under management	-																	
43	Of which debt securities																		
44	Of which equity instruments																		

Template 1: Assets for the calculation of GAR - Flow (CapEx)

2025	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
Flow in € thousands	Total (gross) carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown by environmental objective						Of which use of proceeds	Of which transitional	Of which qualifying	Exposures not assessed	Of which financing non-relevant activities of counterparties	Of which exposures financing counterparties making the declaration pursuant to Article 7(9)	Of which not assessed and considered non-material by the credit institution
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and Marine Resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)							
GAR - Assets covered in both the numerator and the denominator	106,102	46,923	2,557	2,557	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	50,653	8,879	1,766	1,766	-	-	-	-	-	-	-	-	-	-	-	-
Financial undertakings	47,240	7,899	1,128	1,128	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	34,641	4,301	579	579	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including use-of-proceeds financing	12,599	3,598	549	549	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial undertakings	3,414	980	638	638	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	3,414	980	638	638	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including use-of-proceeds financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	55,448	38,045	790	790	-	-	-	-	-	-	-	-	-	-	-	-
of which loans secured by residential property	55,448	38,045	790	790	-	-	-	-	-	-	-	-	-	-	-	-
of which loans for building renovation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans to local public administrations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing of residential housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other loans to local public administrations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real estate collateral obtained through repossession: residential and commercial properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures included on a voluntary basis	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total GAR assets	106,102	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Template 1: Assets for the calculation of GAR - Flow (CapEx)

[illegible]

Template 2 - GAR Sectoral information (Turnover)

2025										
a		b	c	d	e	f	g	h	i	j
Breakdown by sector – NACE 4-digit level (code and description) (€ millions)		Total (gross) carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and Marine Resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)
1	64.19 Other monetary intermediation	46,866	7,744	1,104	1,104	-	-	-	-	-
2	35.23 Trade of gas through pipelines	7,902	520	125	125	-	-	-	-	-
3	01.11 ☐ Growing of cereals (excluding rice), leguminous crops and oil seeds	4,000	16	-	-	-	-	-	-	-
4	35.12 ☐ Transmission of electricity	2,938	2,908	2,527	2,527	-	-	-	-	-
5	65.11 Life insurance	2,769	123	117	116	1	-	-	-	-
6	42.12 Construction of railway and metro lines	2,406	1,972	965	-	965	-	-	-	-
7	46.71 Wholesale of solid, liquid and gaseous fuels and related products	951	49	9	9	-	-	-	-	-
8	49.10 Passenger rail transport (interurban)	793	573	480	480	-	-	-	-	-
9	47.81 ☐ Retail sale of food and beverages via stalls and markets	574	516	84	84	-	-	-	-	-
10	35.11 ☐ Production of electricity	532	240	220	132	-	83	5	-	-
11	Nuclear sector activities ⁽¹⁾	27,776	3	3	-	-	-	-	-	-
12	Fossil gas sector activities ⁽²⁾	38,082	1,240	-	-	-	-	-	-	-
13	Of which exposures not assessed ⁽³⁾	-	-	-	-	-	-	-	-	-

Template 2 - GAR Sectoral information (CapEx)

2025										
a		b	c	d	e	f	g	h	i	j
Breakdown by sector – NACE 4-digit level (code and description) (€ millions)		Total (gross) carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and Marine Resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)
1	64.19 Other monetary intermediation	46,866	8,316	1,231	1,231	-	-	-	-	-
2	35.23 Trade of gas through pipelines	7,902	1,231	1,231	1,231	-	-	-	-	-
3	01.11 ☐ Growing of cereals (excluding rice), leguminous crops and oil seeds	4,000	3,972	-	-	-	-	-	-	-
4	35.12 ☐ Transmission of electricity	2,938	2,938	2,908	2,908	-	-	-	-	-
5	65.11 Life insurance	2,769	150	150	117	-	-	-	-	-
6	42.12 Construction of railway and metro lines	2,406	2,316	1,607	-	1,532	75	-	-	-
7	46.71 Wholesale of solid, liquid and gaseous fuels and related products	951	101	75	75	-	-	-	-	-
8	49.10 Passenger rail transport (interurban)	793	762	701	647	54	-	-	-	-
9	47.81 ☐ Retail sale of food and beverages via stalls and markets	574	573	167	167	-	-	-	-	-
10	35.11 ☐ Production of electricity	532	219	212	212	-	-	-	-	-
11	Nuclear sector activities ⁽¹⁾	27,776	2	2	-	-	-	-	-	-
12	Fossil gas sector activities ⁽²⁾	38,082	921	-	-	-	-	-	-	-
13	Of which exposures not assessed ⁽³⁾	-	-	-	-	-	-	-	-	-



Template 3 - KPI GAR Stock (Turnover)

2025	a	b	c	d	e	f	g	h	i	j	k	l	m
% (of the corresponding total assets included in the denominator)	Taxonomy-eligible	Taxonomy-aligned	Breakdown by environmental objective						Of which use of proceeds	Of which transitional	Of which qualifying	Share aligned with the Taxonomy relative to total Taxonomy-eligible assets	Exposures not assessed
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and Marine Resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)					
1 GAR - Assets covered in both the numerator and the denominator	24.66%	1.00%	0.7%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.05%	0.00%
2 Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	1.95%	0.76%	0.7%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	39.23%	0.00%
3 Financial undertakings	1.08%	0.17%	0.2%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	16.01%	0.00%
4 Loans and advances	0.53%	0.10%	0.1%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	18.61%	0.00%
5 Debt securities, including use-of-proceeds financing	0.50%	0.07%	0.1%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	13.47%	0.00%
6 Equity instruments	0.04%	0.01%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7 Non-financial undertakings	0.87%	0.59%	0.6%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	#RIF!	67.92%	0.00%
8 Loans and advances	0.60%	0.46%	0.4%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	77.61%	0.00%
9 Debt securities, including use-of-proceeds financing	0.02%	0.01%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	26.39%	0.00%
10 Equity instruments	0.25%	0.12%	0.1%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	48.57%	0.00%
11 Households	22.71%	0.23%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.03%	0.00%
12 of which loans secured by residential property	22.71%	0.23%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.03%	0.00%
13 of which loans for building renovation	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14 of which motor vehicle loans	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15 Loans to local public administrations	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16 Financing of residential housing	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17 Other loans to local public administrations	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18 Real estate collateral obtained through repossession: residential and commercial properties	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19 Exposures included on a voluntary basis	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
20 Total GAR assets	24.66%	1.00%	0.74%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Template 3 - KPI GAR Stock (Capex)

2025		a	b	c	d	e	f	g	h	i	j	k	l	m
% (of the corresponding total assets included in the denominator)		Taxonomy-eligible	Taxonomy-aligned	Breakdown by environmental objective						Of which use of proceeds	Of which transitional	Of which qualifying	Share aligned with the Taxonomy relative to total Taxonomy-eligible assets	Exposures not assessed
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and Marine Resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)					
1	GAR - Assets covered in both the numerator and the denominator	25.49%	1.31%	1.0%	0.03%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.15%	0.00%
2	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	2.78%	1.08%	1.0%	0.03%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	38.84%	0.00%
3	Financial undertakings	1.16%	0.17%	0.2%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	14.61%	0.00%
4	Loans and advances	0.54%	0.07%	0.1%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	13.38%	0.00%
5	Debt securities, including use-of-proceeds financing	0.57%	0.09%	0.1%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	15.73%	0.00%
6	Equity instruments	0.04%	0.01%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7	Non-financial undertakings	1.62%	0.91%	0.8%	0.03%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	56.12%	0.00%
8	Loans and advances	0.77%	0.66%	0.6%	0.02%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	85.62%	0.00%
9	Debt securities, including use-of-proceeds financing	0.07%	0.05%	0.1%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	74.16%	0.00%
10	Equity instruments	0.78%	0.20%	0.2%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	25.56%	0.00%
11	Households	22.71%	0.23%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.03%	0.00%
12	of which loans secured by residential property	22.71%	0.23%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.03%	0.00%
13	of which loans for building renovation	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	of which motor vehicle loans	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Loans to local public administrations	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16	Financing of residential housing	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Other loans to local public administrations	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Real estate collateral obtained through repossession: residential and commercial properties	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Exposures included on a voluntary basis	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
20	Total GAR assets	25.49%	1.31%	1.00%	0.03%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Template 4 - GAR KPI - Flow (Turnover)

2025	a	b	c	d	e	f	g	h	i	j	k	l	m
% (of the corresponding total assets included in the denominator)	Taxonomy-eligible	Taxonomy-aligned	Breakdown by environmental objective						Of which use of proceeds	Of which transitional	Of which qualifying	Share aligned with the Taxonomy relative to total Taxonomy-eligible assets	Exposures not assessed
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and Marine Resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)					
1 GAR - Assets covered in both the numerator and the denominator	43.50%	1.86%	1.9%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2 Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	7.64%	1.12%	1.1%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3 Financial undertakings	7.28%	0.91%	0.9%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4 Loans and advances	3.98%	0.48%	0.5%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5 Debt securities, including use-of-proceeds financing	3.30%	0.43%	0.4%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6 Equity instruments	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%
7 Non-financial undertakings	0.36%	0.20%	0.2%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8 Loans and advances	0.36%	0.20%	0.2%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9 Debt securities, including use-of-proceeds financing	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10 Equity instruments	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%
11 Households	35.86%	0.75%	0.7%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
12 of which loans secured by residential property	35.86%	0.75%	0.7%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
13 of which loans for building renovation	0.00%	0.00%	0.0%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
14 of which motor vehicle loans	0.00%	0.00%	0.0%			0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
15 Loans to local public administrations	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16 Financing of residential housing	0.00%	0.00%	0.0%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
17 Other loans to local public administrations	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18 Real estate collateral obtained through repossession: residential and commercial properties	0.00%	0.00%	0.0%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
19 Exposures included on a voluntary basis	0.00%	0.00%	0.0%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
20 Total GAR assets	43.50%	1.86%	1.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Template 4 - GAR KPI - Flow (CapEx)

2025	a	b	c	d	e	f	g	h	i	j	k	l	m
% (of the corresponding total assets included in the denominator)	Taxonomy-eligible	Taxonomy-aligned	Breakdown by environmental objective						Of which use of proceeds	Of which transitional	Of which qualifying	Share aligned with the Taxonomy relative to total Taxonomy-eligible assets	Exposures not assessed
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and Marine Resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)					
1 GAR - Assets covered in both the numerator and the denominator	44.22%	2.41%	2.4%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2 Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	8.37%	1.66%	1.7%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3 Financial undertakings	7.44%	1.06%	1.1%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4 Loans and advances	4.05%	0.55%	0.5%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5 Debt securities, including use-of-proceeds financing	3.39%	0.52%	0.5%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6 Equity instruments	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%
7 Non-financial undertakings	0.92%	0.60%	0.6%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8 Loans and advances	0.92%	0.60%	0.6%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9 Debt securities, including use-of-proceeds financing	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10 Equity instruments	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%
11 Households	35.86%	0.75%	0.7%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
12 of which loans secured by residential property	35.86%	0.75%	0.7%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
13 of which loans for building renovation	0.00%	0.00%	0.0%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
14 of which motor vehicle loans	0.00%	0.00%	0.0%			0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
15 Loans to local public administrations	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16 Financing of residential housing	0.00%	0.00%	0.0%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
17 Other loans to local public administrations	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18 Real estate collateral obtained through repossession: residential and commercial properties	0.00%	0.00%	0.0%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
19 Exposures included on a voluntary basis	0.00%	0.00%	0.0%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
20 Total GAR assets	44.22%	2.41%	2.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Template 5 - KPI for off-balance sheet exposures (Turnover)

	a	b	c	d	e	f	g	h	i	j	k	l
% (of the corresponding total off-balance-sheet assets)	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown by environmental objective						Of which use of proceeds	Of which transitional	Of which qualifying	Exposures not assessed
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and Marine Resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)				
1 Financial guarantees (KPI related to financial guarantees)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2 Financial assets under management (KPI related to financial assets under management)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Template 5 - KPI for off-balance sheet exposures (CapEx)

	a	b	c	d	e	f	g	h	i	j	k	l
% (of the corresponding total off-balance-sheet assets)	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown by environmental objective						Of which use of proceeds	Of which transitional	Of which qualifying	Exposures not assessed
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and Marine Resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)				
1 Financial guarantees (KPI related to financial guarantees)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2 Financial assets under management (KPI related to financial assets under management)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Template 5 - KPI for off-balance sheet exposures - Flow (Turnover)

	a	b	c	d	e	f	g	h	i	j	k	l
% (of the corresponding total off-balance-sheet assets)	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown by environmental objective						Of which use of proceeds	Of which transitional	Of which qualifying	Exposures not assessed
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and Marine Resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)				
1 Financial guarantees (KPI related to financial guarantees)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2 Financial assets under management (KPI related to financial assets under management)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Template 5 - KPI for off-balance sheet exposures - Flow (CapEx)

	a	b	c	d	e	f	g	h	i	j	k	l
% (of the corresponding total off-balance-sheet assets)	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown by environmental objective						Of which use of proceeds	Of which transitional	Of which qualifying	Exposures not assessed
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and Marine Resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)				
1 Financial guarantees (KPI related to financial guarantees)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2 Financial assets under management (KPI related to financial assets under management)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

2.2. Climate Change

Climate change is one of the most relevant and urgent challenges in the current global context, with significant effects on the economy, the environment and the well-being of communities. The **Group** fully recognises the implications of the climate crisis and the transition pathway towards a low-carbon economic model, carefully analysing the possible impacts on its activities, customers and the territories in which it is present.

In relation to remuneration policies and incentive schemes linked to climate-related aspects, reference should be made to section “1.2.3 - Integration of sustainability performance into remuneration and incentive systems (GOV-3)”.

2.2.1 Strategy

2.2.1.1. Climate change mitigation action plan

The 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 address the challenges of the ecological transition, the Group is working to update the Group ESG Plan, considering the introduction of structured guidelines with the aim of consolidating an efficient operating model in line with the most advanced sustainability criteria.

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.

2.2.2.2 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 2025, the Igea Banca Banking Group continued its journey towards improving energy efficiency, with the objective of optimising resource management and reducing the environmental impact of its operational activities. In this context, the Group continued to implement energy efficiency measures across its premises and infrastructure, with particular focus on reducing consumption levels and progressively increasing the use of more efficient technological solutions. The initiatives undertaken included the replacement of traditional lighting systems with low-consumption LED solutions, the installation of smart thermostats to regulate heating and cooling systems, and the gradual digitalisation of internal processes aimed at reducing paper usage. Automation solutions were also introduced to support the optimised management of technical systems, contributing to improved energy efficiency and reduced waste. In parallel, the Group initiated additional energy efficiency measures across its operating sites, accompanied by a rationalisation of the branch network and the strengthening of digital services. These actions contributed to reducing the energy demand associated with the management of physical spaces, generating positive effects in terms of overall energy consumption containment.

Decarbonisation lever: Electrification

With a view to the progressive decarbonisation of its activities, the Group also continued during 2025 its programme to optimise corporate mobility and gradually electrify its vehicle fleet. Building on the initiatives launched in 2024, the Bank pursued the plan to replace internal combustion engine vehicles with models featuring a lower environmental impact. In particular, upon the expiry of long-term lease agreements, certain vehicles were progressively replaced with plug-in hybrid and fully electric models, contributing to a reduction in fossil fuel consumption and in direct CO₂ emissions associated with business travel. The adoption of a lower-impact fleet not only supports the reduction of emissions linked to corporate mobility, but also enhances operational efficiency through lower energy consumption and reduced operating costs.

Sustainable Credit Products

In 2025, the Group continued to develop its offer of financial products designed to support the energy transition and environmental sustainability of businesses and individuals. In line with what was reported in the previous period, the Group offers concessional financing solutions aimed at energy efficiency upgrades, the installation of photovoltaic systems and the 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 2026 with new financing solutions dedicated to environmental sustainability.

Climate Risk Management

From the 2024 financial year, it should be noted that the Group has embarked on a path of progressively strengthening its activities for the analysis and management of risks related to ESG factors, with a particular focus on climate risks. In this regard, an assessment process was launched to identify the materiality of environmental and climate risks for the Group's business model and exposure portfolio. In parallel, ESG risk assessments have been progressively integrated into internal reporting, with the aim of improving transparency and strengthening monitoring controls within the risk management framework.

In the same context, the Group has strengthened its monitoring activities for risk indicators related to ESG factors, developing initial analysis methodologies aimed at assessing the potential impacts of climate risks on portfolio assets, with particular reference to property exposures and financed counterparties.

In line with its ESG framework, the Group has updated its Risk Management Policy, integrating into the credit process the tools necessary to assess ESG risk factors at the granting stage and progressively introducing ESG assessment criteria into credit policies, with the aim of considering sustainability factors in an increasingly systematic manner in credit granting 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

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

ESRS E1-5

Climate change represents one of the most relevant and complex challenges for society, businesses and institutions, with significant implications for the economy, the environment and the well-being of communities.

The **Group** recognises the need to address in a structured manner the issues related to the climate crisis and the transition process towards a low-carbon economy, aware of the effects that these phenomena may have on its activities, customers and the territories concerned. In this context, the Group has embarked on a path aimed at progressively integrating environmental issues into its corporate strategy and operating processes, strengthening its commitment to a sustainable development model.

The approach taken is based on analysing the potential effects of climate change on operations and corporate risk management, as well as identifying opportunities arising from the ecological transition. The Group's commitment is reflected in initiatives and actions aimed at ensuring development in line with the principles of environmental responsibility and sustainable development.

All energy consumption has been converted into MWh by applying the conversion factors set out in the ESRS reporting standards and in accordance with the official coefficients defined by ISPRA, which establish the calorific values and typical densities of the fuels subject to reporting.

It is also specified that the data relating to energy consumption are actual data, extracted directly from supply bills, ensuring a high level of accuracy in the reporting of emissions. With reference to the metrics relating to energy consumption and the energy mix, no external parties were involved in data validation activities, with the exception of the body responsible for issuing the certificate of conformity of the sustainability reporting.

Energy consumption and mix (in MWh)

	2025	2024
Total energy consumption	3,526.19	3,235.84
Total energy consumption from fossil sources	1,309.66	1,049.95
Total energy consumption from nuclear sources	0	0
Share of nuclear sources in total energy consumption (%)	0%	0%
Total energy consumption from renewable sources	2,216.53	2,185.89
Fuel consumption for renewable sources	0.00	0.00
Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired	2,216.53	2,185.89
Consumption of self-generated renewable energy without using fuels	0.00	0.00
Share of renewable sources in total energy consumption (%)	63%	68%

2.2.3.3 Gross Scopes 1, 2 and total GHG emissions

ESRS E1-6

Gross greenhouse gas emissions for **Scope 1** were determined by applying the emission factors indicated in the ESRS Guidelines for the banking sector, in line with the methodologies set out by the **GHG Protocol** and the **Global Warming Potential** values defined by the **IPCC** over a 100-year time horizon, in compliance with the requirements set out in ESRS E1-5 and E1-6.

With regard to **Scope 2** emissions, a dual methodological approach - location-based and market-based - was adopted in accordance with the guidance set out in the GHG Protocol. The first method is based on using the average emission factor relating to the national electricity mix, while the second distinguishes between energy covered by Guarantees of Origin, considered zero-emission and the remaining uncertified share, for which the residual mix was used.

Scope 2: Location Based

Emissions were calculated using the average emission factor of the Italian national electricity generation mix. The reference value applied is equal to **0.217 tCO₂/MWh**, in accordance with the 2025 Environmental Report of the Banca d'Italia, based on data provided by the Italian Institute for Environmental Protection and Research (ISPRA).

Scope 2: Market Based

The calculation was performed by distinguishing between electricity purchased with Guarantees of Origin (GOs) and electricity without GO certification. For the former, zero emissions (0 tCO₂/MWh) were assumed, in accordance with the GHG Protocol, whereas for the latter the Italian Residual Mix was applied, equal to **0.441 tCO₂/MWh** for the year 2024, based on data published by the Association of Issuing Bodies (AIB).

It should be noted that, for the purposes of determining energy consumption and the related emissions, for one office of the subsidiary Fucino Finance - in the absence of data derived from direct measurements - an estimation methodology based on objective parameters was applied. 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 obtain an assessment as representative as possible of the actual operating conditions.

With reference to the metrics relating to gross greenhouse gas emissions in Scopes 1 and 2 as well as total GHG emissions, no external parties were involved in validation activities, with the exception of the body responsible for issuing the certificate of conformity of the sustainability reporting.

Furthermore, as the **Group** did not exceed the average threshold of 750 employees at the balance sheet date during the financial year, it made use of the transitional regime (phase-in) provided for the reporting of greenhouse gas emissions under Scope 3.

GHG emissions (in tCO₂)

	2025	2024
Scope 1 GHG emissions		
Gross Scope 1 GHG emissions	278.97	244.76
Percentage of Scope 1 GHG emissions covered by regulated emissions trading schemes	0.00%	0.00%
Scope 2 GHG emissions		
Gross Scope 2 GHG emissions location-based	510.63	595.69
Gross Scope 2 GHG emissions market-based	57.36	61.57
Total GHG emissions		
Total GHG emissions (location-based)	789.60	840.46
Total GHG emissions (market-based)	336.23	306.33

During the **2025** financial year, the **Group's** carbon intensity was calculated by relating greenhouse gas (GHG) emissions to net revenues, in line with the reporting methodologies envisaged by sustainability standards.

Based on the available data, the emissions intensity calculated according to the location-based approach amounted to **2.83 tonnes of CO₂ equivalent per million euro of revenue**, while the value determined

according to the market-based approach stood at 1.2 tonnes of CO₂ equivalent per million euro of revenue.

The variance between the two indicators highlights the effectiveness of the Bank's sustainable energy procurement choices, contributing to the reduction of its carbon footprint and supporting the transition towards a low-carbon economic model.

Intensity of GHG emissions per net revenue	2025	2024
Total GHG emissions (with Scope 2 - location-based) per net revenue	0.00000283	0.00000266
Total GHG emissions (with Scope 2 - market-based) per net revenue	0.00000120	0.00000097

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

	2025	2024
Net revenue used to calculate GHG intensity	278,607	315,686
Net revenue (other)	-	-
Total net revenue (in financial statements)	279,831	316,278

The difference emerging between the two values shown in the table of about €1.2 thousand is attributable to the item of foreign exchange trading gains/losses.

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

2.3 Water and marine resources

ESRS E3

2.3.1 Impacts, risks and opportunities management

In the context of aspects related to water resource management, the Group has no significant direct impacts arising from its operating activities. However, the acquisition of shareholdings in the company W.E.E. introduced the need to assess any new opportunities and potential impacts related to water management. The investment in W.E.E., a company operating in the sustainable management of water resources, has made it necessary to integrate these issues into the analysis of ESG impacts and opportunities, which are monitored and assessed as part of the Group's commitment to sustainability.

2.3.1.1 Policies relating to water and marine resources

ESRS E3-1

During the 2025 financial year the Group expanded its focus to environmental issues linked to the sustainable management of water resources, following the acquisition of an equity interest in Water Environment Energy S.r.l. (W.E.E.) operates in engineering services applied to the integrated water cycle.

Although it does not directly carry out operating activities involving withdrawals, discharges or intensive use of water resources, the Group recognises water as a strategic, non-replicable and irreplaceable natural resource, the efficient and sustainable management of which represents a key element in the context of the environmental and infrastructure transition. In this area, the approach adopted is based on integrating environmental considerations into strategic investment choices and promoting models geared towards efficiency and reducing losses along the integrated water cycle.

The shareholding in W.E.E. forms part of a broader strategy to position the Group in sectors related to the ecological transition, with particular attention to the water and energy sectors. Through this investment, the Group supports the development and roll-out of advanced technological solutions aimed at mapping, digitalising and monitoring water and sewer networks as well as designing initiatives to improve the efficiency of the integrated water service.

Issues related to the sustainable management of water resources are considered as part of strategic planning and investment processes and are integrated into the Group's broader ESG governance system.

At the date of preparation of this Report, the Group has not yet adopted a formalised policy specifically dedicated to managing impacts related to water resources pursuant to ESRS E3. However, in view of the recent investment in W.E.E., the progressive strengthening of the analysis and oversight of aspects related to the management of impacts, risks and opportunities relating to water resources is envisaged, as part of the broader path of development of the ESG governance and planning system.

2.3.1.2 Actions and resources related to water and marine resources

ESRS E3-2

The Group's acquisition of an equity interest in W.E.E. S.r.l. constitutes a tangible action intended to foster the development of technical and engineering solutions aimed at enhancing the efficiency of water infrastructure and reducing leakage across distribution networks, thereby evidencing the ongoing strengthening of the Group's activities in the water sector.

The activities carried out by W.E.E. include surveying and mapping services for water and sewer infrastructure, digitisation and computerisation of networks, hydraulic modelling aimed at optimising performance as well as activities to research and locate losses through the use of advanced technologies and high-precision monitoring tools. These activities are mainly aimed at public bodies and operators of the integrated water service and help to support more efficient and sustainable management of water resources. W.E.E. operates in compliance with management systems certified in accordance with internationally recognised standards.

In the same area, research and innovation initiatives are being implemented aimed at developing Smart Water Networks models designed to integrate digital technologies and continuous monitoring systems to reduce waste, improve energy efficiency and ensure greater resilience of water infrastructure. The design and works supervision activities on plants and networks as well as collaboration with universities and industry operators contribute to consolidating a technical specialist approach aimed at continuous improvement of environmental performance.

At the date of preparation of this Report, no specific action plans have been identified in connection with this topic that entail significant and separately traceable CapEx or OpEx. The initiatives described form part of the ordinary operating and strategic activities associated with the equity interest held by the Group in W.E.E.

Information regarding the acquisition of the equity interest in Water Environment Energy S.r.l. was communicated through the Group's main institutional channels, with the aim of providing timely and accurate information to internal and external stakeholders concerning the transaction carried out, its strategic objectives and the significance of the initiative within the Group's process of integrating environmental protection considerations into its investment decisions.

2.3.2 Metrics and Targets

2.3.2.1 Targets related to water and marine resources

ESRS E3-3

As a result of the recent investment in W.E.E. S.r.l., As at the reporting date, the Group had not defined specific targets relating to water resource management in accordance with ESRS E3. Given the nature of the investment in the Company's share capital and the absence of any direct use of water resources in its operations, no measurable targets were identified linked to water withdrawals, discharges or consumption.

However, as part of the broader path of development of its ESG system and in relation to the equity interest held in W.E.E. S.r.l., the Group has identified some strategic and qualitative development directions linked to the water sector. In particular, progressively consolidating the oversight of issues relating to the sustainable management of water infrastructure, supporting initiatives aimed at improving network efficiency, reducing losses and rolling out innovative technological solutions applied to the integrated water cycle.

Over the medium term, the Group intends to integrate the assessment of opportunities related to the water sector into its strategic planning and investment processes in an increasingly structured way, also in order to strengthen its positioning in sectors linked to the ecological transition. Any definition of specific targets and monitoring indicators will be assessed as part of the progressive consolidation of activities and the evolution of the ESG governance framework.

2.4. Resource use and circular economy

ESRS E5

2.4.1 Management of impacts, risks and opportunities

ESRS E5-1

2.4.1.1 Policies related to resource use and circular economy

The analyses conducted during 2025 confirmed the relevance of resource procurement as significant for the Group's operations.

Specifically, the Group's procurement of materials is governed by a structured analysis and assessment process aimed at ensuring high standards of quality and reliability from the supplier selection stage. This selection is performed according to objective criteria that consider, among other factors, the quality of goods and services provided, the transparency of operational processes and the reliability of service continuity. In this context, the Italian Expenditure Regulation sets out a system for continuously monitoring the performance of suppliers, ensuring that the materials acquired meet the required technical requirements and are consistent with the Group's operational needs.

Specifically, with regard to the procurement of paper for office activities, the use of EU Ecolabel-certified products meets the need to use materials that comply with stringent quality and sustainability standards. The EU Ecolabel, recognised at European level, attests that the paper comes from responsibly managed supply chains, characterised by efficient use of resources and reduced environmental impacts throughout the product's life cycle. The certification also guarantees the absence of harmful chemical substances and the containment of energy and water consumption in production processes, while ensuring adequate levels of quality and durability without compromising performance.

At the reporting date, the Group does not have a formalised policy specifically dedicated to the management of incoming resources.

However, the objective for the next reporting periods is to further optimise the criteria for selecting materials and strengthen a purchasing management model based on objective and measurable parameters.

2.4.1.2 Actions and resources related to resource use and circular economy

ESRS E5-2

Responsible resource management and paper supply

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

To contain paper consumption, the Group continues to use the UniFlow online system, a solution developed by Canon that makes it possible to monitor and optimise printing and scanning flows.

Each employee has a personal identification code, required to authorise printing operations or the digitisation of documents, ensuring more accurate control over resource use and helping to reduce waste. The system not only improves the efficiency of document processes, but also collects data on consumption patterns, providing useful information for further rationalisation measures.

In parallel, the Group pursues a responsible paper procurement practice, giving preference to products certified in accordance with recognised environmental standards. The certification attests that the materials

come from sustainably managed supply chains, characterised by efficient use of resources and reduced environmental impacts throughout the product life cycle. These criteria ensure that sustainability requirements are met without compromising the quality and performance of the material used.

The approach adopted forms part of a broader strategy to optimise resources and improve the circularity of materials, aimed at progressively reducing the use of virgin raw materials and promoting a more sustainable operating model. At the reporting date, capital expenditure (CapEx) and operating expenditure (OpEx) associated with these initiatives are not significant for the purposes of the financial statements and therefore do not require separate presentation in the financial reporting.

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 promotes resource rationalisation strategies and the adoption of operational solutions aimed at improving efficiency and limiting waste.

The Group adheres to environmental standards recognised at European level, ensuring the compliance of certifications adopted by suppliers and adherence to regulations governing the responsible management of resources. Initiatives are monitored through the periodic collection of internal data, enabling the assessment of consumption levels and the identification of opportunities for improvement.

The strategies adopted are defined taking into account the needs of internal and external stakeholders, including employees, customers and suppliers, with the aim of ensuring transparent and effective resource management in line with the Group's environmental commitments. Sustainability initiatives are communicated through corporate channels and reported in disclosure documents in order to ensure maximum transparency and involve stakeholders in the transition towards a more efficient and responsible operating model.

2.4.2 Metrics and Targets

2.4.2.1 Targets related to resource use and circular economy

ESRS E5-3

At present, the Group does not have formalised targets on the use of resources and circular economy, as the Group's ESG strategy is being updated and defined. In the coming years, the Group will assess the opportunity to introduce specific targets, with the aim of structuring monitoring plans to measure the effectiveness of the strategies adopted in terms of procurement and resource management. This approach aims to consolidate a more efficient operating model aligned with the most advanced sustainability standards.

2.4.2.2 Resource inflows

ESRS E5-4

Reducing and optimising consumption is a priority for the **Group**, which operates with the aim of limiting the environmental impact of its activities. The Group continuously monitors risk factors and promotes a sustainability-oriented culture, encouraging responsible behaviour and providing for the prompt reporting of any issues or situations of non-compliance with the applicable legislation.

During the financial year, total paper consumption amounted to 28,597 kg, entirely attributable to materials belonging to the technical cycle and slightly down on the previous year.

<i>Resource inflows</i>	Measure ment unit	2025	2024
Paper consumption	Kg	28,597	29,138

At present, there are no formalised targets for the procurement of resources from supply chains based on reuse or recycling; consequently, it is not possible to attest to the presence of materials with such characteristics within the supplies used. Any future assessments on the matter will be carried out in compliance with the regulatory framework and the Group's corporate strategies.

Data was calculated using established internal methodologies, in line with recognised industry standards, where applicable. Quantitative information is derived from corporate monitoring systems, operational records and reporting tools, ensuring consistency and accuracy in data collection. Where it was necessary to use estimates, these were determined using historical trends, internal parameters and reasonable assumptions based on the information available, applying a prudent approach in order to ensure the reliability of the results and avoid overestimation.

Similarly to energy consumption, materials data is derived mainly from documentation provided by suppliers, direct measurements and procurement records; where specific data was not available, standard coefficients and conversion factors recognised by relevant regulatory or scientific sources were used.

The methodologies adopted are subject to periodic reviews with the aim of ensuring continued alignment with best practices and regulatory updates. As at the reporting date, the metrics disclosed have not been subject to validation by external parties other than the entity responsible for providing assurance on the compliance of the sustainability reporting.

3. Social information

3.1 Own workforce

3.1.1 Management of impacts, risks and opportunities

3.1.1.1 Policies related to own workforce

ESRS S1-1

Workforce Management and Corporate Policies

The Group continues its commitment to placing human capital at the centre of its growth and development strategy, promoting an inclusive working environment and valuing the contribution of employees as a key element for the organisation's success. For this reason, the Group places particular emphasis on its workforce management policy, aimed at ensuring equal opportunities, skills development and employee well-being through welfare initiatives, continuous training and transparent recruitment 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 principles of fairness, transparency and impartiality, in accordance with the provisions of the Code of Ethics. The Group's search for and attraction of talent also develops through collaborations with universities, participation in career days and the implementation of internship programmes run in partnership with academic institutions.

Valuing human capital is a central element of internal resource management and results in the definition of structured training plans, which include both mandatory courses and professional development pathways. In 2025, a total of 18,098 hours of training were provided, with an average of 31 hours per employee.

As part of the selection process, the individual Group Companies assess their actual organisational needs and identify candidates on the basis of the consistency between the skills held and the required professional profiles. The process is based on criteria of objectivity, competence and professionalism, in compliance with applicable regulations and the principle of equal opportunities, with the objective of preventing any form of favouritism and ensuring a merit-based approach.

The information collected during the selection phase is strictly for the purpose of verifying professional suitability for the role applied for. The Group ensures that the entire process is carried out in compliance with the applicable legislation and the principles of fairness and transparency.

With regard to specific categories of workers, the Group ensures compliance with the applicable statutory provisions. In particular:

- for employees with disabilities, recruitment takes place in compliance with the statutory procedures;
- for foreign workers, compliance with the legislation governing residence permits is ensured, with ongoing monitoring of the maintenance of the required conditions throughout the duration of the employment relationship.
- for former civil servants, compliance with the statutory provisions relating to prohibitions and restrictions on employment is ensured.

All employees are hired with a regular employment contract, and the Group does not tolerate any form of irregular employment. Upon recruitment, employees receive detailed information regarding their role, duties, applicable regulations and corporate procedures, in order to ensure conduct consistent with the national collective bargaining agreement and the Group's internal policies.

Personnel management and development

The Group devotes particular attention to the professional development of employees at all levels, promoting the enhancement of their skills and capabilities. 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 delivering organised training programmes, the Group promotes the continuous development of skills also through internal knowledge-sharing initiatives and opportunities for professional exchanges between colleagues, fostering an environment oriented towards learning and continuous improvement.

The Group adopts a structured performance appraisal system based on objective, merit-based criteria aimed at measuring skills, results achieved and individual development potential. This system is a tool supporting both performance management and professional development and career planning processes.

As part of the appraisal process, the Manager-Appraiser is required to formulate an overall performance evaluation and to flag any high-potential profiles in order to promote a fair and transparent allocation of development opportunities. The assignment of promotions and development pathways therefore takes place on the basis of merit-based criteria, consistent with organisational needs and with the skills actually demonstrated.

Protection of Human Rights and Diversity

The Group is actively committed to promoting diversity and safeguarding human rights, as set out in its Code of Ethics. Company policies prohibit all forms of discrimination and promote employment inclusion, with particular attention to the most vulnerable groups. During 2025, no incidents of discrimination were recorded.

Health and Safety at Work

The Group adopts an occupational health and safety management system that complies with Italian Legislative Decree no. 81/2008.

These measures apply to the entire workforce, and the Group continuously monitors risks through periodic workplace assessments. In 2025, five accidents in the workplace were recorded. No cases of occupational illnesses were reported.

The Group is committed to ensuring working environments that comply with the applicable health and safety regulations, providing conditions suitable for safeguarding the physical integrity and wellbeing of its employees. This commitment is reflected in the promotion of a prevention culture focused on risk awareness and the adoption of responsible behaviour by all staff.

Safeguarding the health and safety of workers is a priority objective, pursued through a preventive and systematic approach to risk management. To this end, the Group delivers specific training initiatives and internal communication activities aimed at strengthening knowledge of potential risks and correct operating methods, helping to maintain a safe working environment that is adequately monitored.

Remuneration policy

The Group's staff remuneration and incentive policies, approved by the board of directors and the Shareholders' Meeting last year and currently under review, 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:



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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 oversight processes of the remuneration system	The criteria, timing and procedures for reviewing the document
Defining the criteria relating to the remuneration structure	The definition of severance arrangements

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 structured opportunities for discussion on topics that are relevant to the company. These opportunities for dialogue take place in compliance with the provisions of the Collective Labour Agreement (CCL), ensuring ongoing and formalised discussion between the parties.

Operational responsibility for workforce engagement activities is assigned to the HR Department, which oversees the proper conduct of consultation meetings and leverages their outcomes within decision-making processes relating to human resources management.

The Group also has a reporting system that allows employees to raise any critical issues or suggestions regarding working conditions, guaranteeing confidentiality, safeguarding the reporting person's identity and protection from possible retaliation, in line with the applicable legislation.

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

ESRS S1-3

The Group adopts a structured approach to the identification and management of any significant negative impacts on its workforce, with the aim of ensuring fair and safe working conditions that comply with the applicable legislation. Through a system of continuous monitoring and dedicated organisational arrangements, any critical issues relating, among other things, to working conditions, health and safety, equal treatment and the protection of confidentiality are identified at an early stage.

To support this system, the Group has adopted the Regulation on the Internal System for Reporting Violations (Whistleblowing), which governs the methods and dedicated channels for submitting reports, ensuring the confidentiality of the reporting person's identity and protection from possible retaliation. Reports are handled in accordance with formalised procedures, in compliance with the applicable legislation, ensuring timely and traceable analysis of reported cases.

The Board of Directors periodically assesses the effectiveness of the system and identifies any necessary improvement measures, while the Board of Statutory Auditors verifies its adequacy and proper functioning. Through these safeguards, the Group promotes a culture of transparency and accountability, ensuring that reports are subject to rigorous assessment and that, where necessary, appropriate corrective measures are adopted.

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

Throughout 2025, the importance of health and safety at work for the Group was reaffirmed. For this reason, the Group adopts a structured approach to prevent, mitigate and manage impacts, address risks and capture opportunities related to occupational health and safety, equal treatment and professional development. To this end, the Group implements prevention, training and monitoring measures across the value chain, ensuring safe and inclusive working conditions while 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.

Training activities

The 2025 Training Plan was designed in continuity with the plans of recent years, which supported the Bank's capital strengthening and return to profitability, as a tool to support the achievement of the strategic objectives expected going forward in terms of asset quality, profitability and capital strength.

The first objective of the Plan focuses on strengthening human capital. On the one hand, it includes the development of soft skills considered true key enabling factors in the ongoing renewal process, such as leadership, emotional intelligence in managing one's role, effective communication, time management and planning, team management, interaction and integration skills, an aptitude for taking on appropriate responsibilities and a proactive approach in internal and external relationships. On the other hand, it aims to promote a more quantitative orientation in analysing the issues to be managed by improving data collection and information processing techniques and introducing initial reflections on the opportunities offered by artificial intelligence.

The second objective of the Plan is dedicated to developing a distinctive corporate culture in the provision of customer services while appropriately taking into account the related risks. On the one hand, the focus is on understanding the specific characteristics of the corporate customer segment, with specific reference to the issue of granting loans in specific economic sectors. On the other hand, it aims to foster greater awareness of the other risks related to lending activity, from involvement in money laundering and loan sharking to non-compliance risks (most recently in relation to sustainable loans).

The third objective of the Plan aims to increase participants' awareness of the principles on which to build a lasting relationship with customers, focusing on retail customers who require support in managing their savings or solutions to protect against risks. The focus is on the full implementation of the conduct rules prescribed for intermediaries by enhancing, on the one hand, the ability to identify the needs of target customers and, on the other, in-depth knowledge of the products and services offered.

The fourth and final objective of the Plan is based on the experience of intermediaries, even more than on supervisory requirements, regarding the need to have adequate governance and control arrangements in place in order to mitigate risks. Specific attention is given to the issues of the administrative liability of entities for unlawful conduct by their officers, employees or collaborators, those related to the outsourcing of services to third parties, the governance arrangements for new products as well as fairness and transparency in relations with customers, portability and repudiation in payment services, the integrity of financial markets, personal data protection, prevention of involvement in money laundering as well as the prevention and management of ICT risks.

The main objectives relating to the 2025 Training Plan are set out below.

Soft skills development

The corporate objective is aimed at strengthening the capabilities of human capital, with a view to developing soft skills that are key enabling factors in the ongoing renewal process, such as leadership, emotional intelligence in managing one's role, effective communication, time management and planning, team management, interaction and integration skills, as well as the ability to take on appropriate responsibilities and a proactive approach in internal and external relationships. The corporate objective is also aimed at promoting a more quantitative orientation in analysing issues and problems by improving data collection and information processing techniques and introducing initial reflections on the benefits associated with the use of tools based on artificial intelligence solutions.

Credit offering

The corporate objective is geared towards consolidating and developing a distinctive culture in the relationship with corporate customers that access the Bank's financing.

A conscious approach to offering credit services to the target segment takes into account the specific features of granting loans in specific economic sectors, such as agriculture, and also duly considers the other risks (other than credit risk) related to lending activity, from involvement in money laundering and loan sharking to non-compliance risks associated with sustainable loans.

Offering of financial/insurance products

The corporate objective is geared towards consolidating and developing a distinctive culture in the relationship with retail customers, based on their needs for savings management and risk protection, with a view to making a commercial offer that is consistent and appropriate to each specific need.

In particular, the Bank intends to update and develop the skills of staff authorised to interact with this segment in order to ensure compliance with the conduct rules applicable to intermediaries and the related good practices, which require careful identification of the needs of target customers as well as a thorough understanding of the characteristics of the products and services offered.

Governance arrangements and risk management

The corporate objective is geared towards developing a deep risk culture and full knowledge of the governance and internal control arrangements for their mitigation, as provided for by the relevant regulations and implemented by the Bank.

Specific attention is given to the issues of the administrative liability of entities for unlawful conduct by their officers, employees or collaborators, the risks related to the outsourcing of activities to third parties, the governance arrangements for new products as well as fairness and transparency in relations with customers, portability and repudiation in payment services, the integrity of financial markets, personal data protection, prevention of involvement in money laundering as well as ICT risk management.

Throughout 2025, the expenses incurred for the implementation of training plans for the Bank's own workforce amounted to approximately €246 thousand, in line with the costs incurred in the previous reporting year.

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 foster a high level of digital literacy among employees of the Bank and the other Group companies, enabling them to operate more effectively and competently in a rapidly evolving 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

Throughout 2025, the Group has not yet defined specific objectives relating to the internal workforce. However, in line with its strategic objectives, the Group is considering the implementation of targeted plans to monitor the effectiveness of its policies and actions, with the aim of strengthening an operating model that is efficient and compliant with the highest sustainability standards.

3.1.2.2 Characteristics of the undertaking's employees

ESRS S1-6

The number of employees broken down by gender was determined on the basis of the *headcount* criterion, considering the total number of staff in service at the reporting reference date.

With reference to the metrics relating to the characteristics of the workforce, no external parties were involved in the validation of the data, with the exception of the audit firm appointed to issue the certificate of conformity of the Sustainability Reporting.

Number of employees by gender (headcount)

Gender	2025	2024
Female	234	224
Male	355	349
Other	-	-
Not disclosed	-	-
Total employees	589	573

Number of employees per country (headcount)

Country	2025	2024
Italy	589	573

Number of employees by gender and role (headcount)

Title	2025			2024		
	Male	Female	Total	Male	Female	Total
Executives	25	3	28	25	3	28
Middle Managers	175	74	249	170	72	242
Professional areas	155	157	312	154	149	303
Total	355	234	589	349	224	573

Number of employees by gender and contract type (headcount)

	Female	Male	Other	Not disclosed	Total
	2025	2025	2025	2025	2025
Number of employees	234	355	-	-	589
Number of employees with open-ended contracts	225	345	-	-	570
Number of employees with fixed-term contracts	9	10	-	-	19
Number of variable hours	-	-	-	-	-

With regard to personnel flows, during 2025, the Igea Banca Group recorded a turnover rate of 6%, due to the departure of 37 employees. For the 2024 financial year, the total workforce amounted to 573 employees (of whom 224 women and 349 men), comprising 550 employees on permanent contracts (of whom 209 women and 341 men) and 23 employees on fixed-term contracts (of whom 15 women and 8 men).

ESRS S1-9

3.1.2.3 Diversity Metrics

The distribution of employees by age group was determined by calculating the ratio between the number of employees in each age group (under 30 years, between 30 and 50 years, over 50 years) and the total number of employees in service.

The data used for the calculation refer to the workforce as at 31 December 2025.

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 (headcount)

Number of employees	2025	2024
Less than 30 years old	68	63
Percentage of employees aged less than 30 years old	12%	11%
Aged between 30 and 50 years old	275	262
Percentage of employees aged between 30 and 50 years old	46%	46%
Aged over 50 years old	246	248
Percentage of employees aged over 50 years old	42%	43%

Gender diversity of employees at management level (headcount)

Number of management level employees	2025	2024
Female	-	-
% of total at top management level	0%	0%
Male	4	6
% of total at top management level	100%	100%
Other genders	-	-
% of total at top management level	0%	0%
No data	-	-
% of total at top management level	0%	0%
Total	4	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)).

ESRS S1-12

3.1.2.4 Persons with disabilities

The percentage of persons with disabilities among employees, subject to legal restrictions on data collection, is 5%.

ESRS S1-13

3.1.2.5 Training and skills development metrics

Consistent with the approach adopted during the previous reporting period, in the period covered by this report one performance review was conducted for each of the Group's 589 employees.

	Measurement unit	Female	Male	Other	Not disclosed	Total
Employees who participated in periodic reviews	Number	234	355	-	-	589
Employees		234	355	-	-	589
Periodic reviews conducted per employee		1	1	-	-	1
Employees who participated in periodic reviews	Percentage	100%	100%	-	-	100%

	2025		2024	
	Number of training hours	Average training hours	Number of training hours	Average training hours
Executives	-	-	-	-
Female	-	-	-	-
Male	-	-	-	-
Other	-	-	-	-
Not disclosed	-	-	-	-
Middle Managers	8,176	68	9,298	79
Female	2,759	37	2,919	41
Male	5,417	31	6,379	38
Other	-	-	-	-
Not disclosed	-	-	-	-
White-collar workers	9,922	63	11,982	79
Female	5,056	32	6,307	42
Male	4,866	31	5,675	37
Other	-	-	-	-
Not disclosed	-	-	-	-
Total	18,098	131	21,280	158

3.1.2.6 Health and safety metrics

ESRS S1-14

In line with the methodology applied in 2024, the recordable workplace injury rate is calculated for all employees by dividing the number of recordable workplace injuries by the total 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	
	2025	2024	2025	2024	2025	2024
Percentage of its workers covered by a health and safety management system based on statutory requirements and (or) recognised standards or guidelines	100%	100%	n.a.	n.a.	100%	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	5	9	-		5	9
Recordable accident in the workplace rate for own workforce	0%	0%	n.a.	n.a.	0%	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

In line with the Group's commitment to safeguarding workers' health and safety, no episodes of discrimination or serious incidents related to respect for human rights were recorded during the reporting period. The total number of reports received through the dedicated channels or through any national contact points amounted to zero.

As a result of the above, no fines were imposed and no penalties applied, nor were there any claims for compensation attributable to these areas during the reporting period.

3.2 Workers in the value chain

3.2.1. Impacts, risks and opportunities management

ESRS S2

3.2.1.1. Policies related to value chain workers

ESRS S2-1

Health and safety on construction sites

Throughout 2025, the relevance of the construction and building sector is confirmed as a strategic component of the Group's loan portfolio. In this context, during 2025 the Institution strengthened its social governance across the value chain through the implementation of more stringent control mechanisms and the intention to progressively integrate ESG criteria into credit granting processes for companies operating in specific sectors.

On 1 March 2024, Banca del Fucino, in its capacity as Parent Company of the Group, entered into a memorandum of understanding with the Trade Union organisations Fisac CGIL, First CISL and UILCA, aimed at making the granting of credit conditional upon compliance with regulations on safety at construction sites and the prevention of workplace accidents.

The Bank recognises safeguarding health and safety in the workplace as a fundamental prerequisite for respect for the individual and the dignity of work, as an integral part of its corporate culture. From this perspective, it considers it a priority to establish relationships with parties that ensure strict compliance with current legislation and promote a culture of accident prevention, in line with constitutional principles and the commitments undertaken in the area of social responsibility.

In line with the provisions set out in the memorandum of understanding, during the credit assessment phase the Relationship Manager is required to request from the applicant company documentation demonstrating compliance with regulations governing health and safety at construction sites⁸. Specifically, the following documents are required and analysed:

- 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) documentation evidencing possession of the licence referred to in Article 27 of Legislative Decree No. 81 of 9 April 2008, as amended and supplemented, or, alternatively, certification of SOA qualification at classification level III or higher;
- 8) the Risk Assessment Document (D.V.R.) (a signed title page and table of contents are also sufficient);
- 9) 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.

The provisions contained in the protocol apply, from the date of its execution, to the Bank's new lending activities in favour of companies operating in the construction, building and real estate sectors, identified through the specific ATECO codes listed below:

⁸ 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.

41.00.00 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
68.00 Real estate activities	

Therefore, the requirements established under the Group's memorandum of understanding apply to the aforementioned counterparties both during the disbursement process for new financing applications (namely at the initial underwriting stage) and upon the renewal of revocable credit lines reaching maturity

Where an applicant company belongs to Economic Groups, the provisions set out in the memorandum of understanding apply exclusively 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.

The extension of the scope of the protocol to the real estate sector was made possible by the innovations introduced by CRR III (Regulation (EU) 2024/1623) which, implementing the Basel IV reform, made the criteria by which banks must assess the risks associated with real estate lending more stringent and uniform, in particular those relating to acquisition, development and construction (ADC) operations. This strengthened regulatory framework highlights how the credit risk of real estate projects is closely linked to the operational and delivery risks typical of construction sites, including aspects of occupational safety, the management of which directly affects the company's ability to complete the project and, consequently, the soundness of the financing.

Moreover, in order to ensure the proper fulfilment of supervisory reporting requirements, our Bank carries out the specific classification of ADC transactions.

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 connected with its activities. With specific reference to workers along the value chain, as at the date of this reporting, no structured processes dedicated to their involvement as part of these analyses have yet been implemented.

The Group reserves the right to assess their integration in future reporting years, with the aim of progressively strengthening an approach based on greater participation and inclusivity.

3.2.1.3. Processes to remediate negative impacts and channels for value chain workers to raise concerns

ESRS S2-3

The 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 the current reporting period, the Group strengthened its commitment to safeguarding workers across the value chain, with particular reference to the sectors included in the list of ATECO codes indicated above and therefore more exposed to social risks. In this context, as previously described, the memorandum of understanding on safety at construction sites makes the granting and renewal of credit conditional upon compliance by beneficiary companies with regulations governing occupational health and safety.

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. The credit assessment process envisages the collection of documentation confirming compliance with social security contribution requirements, completion of mandatory training, adoption of safety and protection systems and the absence of sanctions relating to workplace safety.

The protocol, formalised last year and applicable also to the current reporting period, represents a concrete and systemic control measure capable of generating tangible positive impacts in terms of social risk mitigation, improvement of working conditions and promotion of responsible practices across the value 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

As at the date of this reporting, the Group does not currently have formalised targets specifically relating to the protection of working conditions along the value chain.

However, in continuity with the commitments undertaken since the previous reporting period, the Group continues its assessments regarding the possible integration of these objectives into its sustainable development pathway, within a broader process aimed at strengthening social responsibility practices towards individuals employed across the value chain. This approach is consistent with the evolution of the regulatory and market environment and with the commitment to promoting respect for 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

ESRS S3-1

In managing relationships with the affected communities, the Group operates in compliance with the principles and values set out in its Code of Ethics, which represents the primary internal regulatory reference for guiding corporate conduct and for defining standards of behaviour towards external stakeholders.

Although, as at the reference date of this Reporting, it has not adopted a formalised policy specifically dedicated to managing impacts on local communities, the Group integrates the protection of affected communities within its operating framework, identifying the Code of Ethics as the guiding tool intended to ensure transparency, fairness and accountability in relations with the local area.

The Group's operations are therefore based on an approach aimed at creating shared value over the medium-to-long term, in line with the Bank's role as a financial operator rooted in its relevant local contexts.

3.3.1.2. Processes for engaging with affected communities about impacts

ESRS S3-2

The Group maintains relationships based on responsibility and care towards local communities, promoting initiatives aimed at supporting the economic and social development of the areas 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. This approach reflects the Group's desire to operate in line with the principles of social responsibility and sustainable development, in keeping with its institutional role in the areas it serves.

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 Legislative Decree No. 24 of 10 March 2023 on whistleblowing, the Group maintains a reporting channel accessible also to parties external to the Bank, ensuring the possibility to submit reports anonymously, in compliance with the principles of confidentiality, protection of the whistleblower's identity 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

The Group recognises the central importance of social aspects relating to local communities as an integral component of its ESG approach, considering culture and the promotion of artistic heritage as drivers of sustainable development and of strengthening territorial cohesion. From this perspective, the Bank's commitment has taken the form of support for cultural and artistic initiatives, as well as collaboration with prominent institutions and events, with the aim of contributing to the social and economic development of the territories in which it operates.

A notable example is the multi-year partnership with the **Teatro dell'Opera di Roma**, launched during the 2020-2023 period and renewed through to the end of 2025. 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**. This partnership has 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.

At the same time, the Group 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. 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.

In continuity with what was reported in the previous year, the Group recognises the importance of historical memory and civic education, continuing its collaboration with the **Shoah Museum Foundation**. The “Social Book Club” 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.

Banca del Fucino also made its debut as the sole banking sponsor of the **Rome Marathon**, “Run Rome The Marathon 2025”, now in its 30th edition, promoting the values of sport.

At the same time, the Bank acted as a partner of **Tevere Day**, the largest event dedicated to the Capital’s river, a project established with the aim of protecting the environment and the city of Rome, starting from its river. The event, which reached its seventh edition in 2025, runs along 80 kilometres of riverbanks with over 140 initiatives including sport, culture, shows, music, environmental workshops and boating, with the aim of bringing people back to the river and enhancing its resources.

Local economic development and support for entrepreneurship

Supporting economic growth and the development of local entrepreneurial initiatives represents one of the Group’s key strategic priorities, as it has long been committed to promoting the territories in which it operates through targeted financial solutions and projects that foster economic inclusion and enhance 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 financial instruments, capable of meeting the specific needs of local and sectoral production businesses.

Through this initiative, Banca del Fucino has assessed and financed projects of significant value, benefiting small and medium-sized enterprises operating in the tourism sector across the national territory. 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 €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. Since 2022, the Bank has been a partner of **Wine Sicily**, a major event dedicated to promoting the Sicilian wine-making and tourism heritage. The event, renewed for 2025, involving producers, industry operators and local institutions, aims to strengthen business competitiveness through promotion, training and internationalisation activities.

Since 2022, the Group has continued its strategic collaboration with the **“International Via Margutta Association”** to support the cultural and commercial revitalisation of the historic Roman street of the same name, traditionally associated with the worlds 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.

Through its network of branches and specialised consultants, the Group offers constant support to companies in defining sustainable and innovative investment strategies. Support is not limited to the mere provision of credit but extends to personalised advisory services, training and technical assistance, including through the new company BIAE, which contributes to broadening the Group’s advisory offering in favour of local business communities.

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.

In addition to this long-standing collaboration, the Bank proudly supports its **Paralympic team**, promoting inclusion and sporting excellence by supporting athletes competing in the main international competitions.

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 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 context, particular note should be made of the sponsorship of **Alcione Milano**, a historic football club based in Milan known for its strong focus on youth development and for promoting the values of fairness and sporting integrity, as well as the sponsorship in Arzignano of the Arzignano Valchiampo team.

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 **Vicenza Basket**. Finally, since 2021 the club **Polisportiva Gonzaga** has benefitted from funding from the 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 the **Foundation for Financial Education and Savings (FEduF)**, Banca del Fucino implemented the project **"Let's Save the Country"**, involving more than 500 primary and lower secondary school students across the regions of Lazio and Abruzzo.

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 also organised in partnership with leading universities, including **Sapienza University of Rome**, **University of Rome Tor Vergata** and **LUISS Guido Carli University**, with the aim of fostering dialogue between academia and the labour market. 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 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. To date, the Group has not implemented a measurement of the impacts generated on affected communities. The objective of creating shared value lies at the core of the Group's identity, and the Group will, in the near future, consider formalising this principle through the definition of specific targets.

3.4 Consumers and end-users

3.4.1 Impacts, risks and opportunities management

3.4.1.1. Policies related to consumers and end-users

The Group is committed to offering its products and services in line with its customers' needs, promoting transparency and fairness towards its customers, in compliance with applicable regulations as well as quality. In particular, the Group has adopted a set of internal policies applicable to all customers, including consumers - to whom particular attention is devoted in accordance with the enhanced level of protection provided by the applicable legislation - aimed at regulating business processes in compliance with the relevant regulatory requirements and establishing the necessary control measures.

Complaint handling policy

In this respect, the Group Complaints Management Policy stands out, setting out the operating procedures identified by the Group to ensure effective and timely handling of complaints received, in compliance with the relevant regulations. This policy was drawn up with the aim of supporting the action of the organisational units involved in the complaints management process, in order to respond to customers quickly and efficiently within the time limits set by legislation.

In particular, the Policy clearly defines roles and responsibilities within the various structures involved in the complaints management process, with the aim of ensuring the timely handling of complaints, while at the same time identifying and analysing the underlying causes of the complaints received in order to resolve any service failures or operational anomalies, as well as to detect recurring issues so as to enhance the overall effectiveness of the service and prevent the recurrence of situations that could undermine customer satisfaction and damage the Group's reputation. From this perspective, the complaints management policy adopted by the Group can also contribute to the continuous improvement of the services offered and therefore to consolidate customer trust and loyalty in the long term.

The Internal Audit Function, which is currently responsible for the Complaints Function, is tasked with managing the reports received, in accordance with the provisions of the aforementioned internal policy, in order to handle complaints received accurately and promptly.

Each complaint is examined in detail, taking into account the type of customer and applying the classification set out in the Policy, in line with the provisions of the applicable regulatory framework. This classification, which is essential for understanding the specific needs of each customer segment, is divided into the categories of "consumer" customers, other "retail customers" and "non-retail customers", identified pursuant to transparency regulations. These categories therefore include the following types of customers:

- "Consumers", i.e. "Private Individuals": includes consumers and natural persons 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. This category may essentially include both "Retail

Customers”, in the case of micro-enterprises, and “Non-retail Customers” based on the size requirements of the enterprise itself, pursuant to transparency regulations.

- 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. This category should correspond to that of “Non-retail Customers” pursuant to transparency regulations.

The Policy provides for different procedures for handling complaints depending on the type of service that is the subject of the complaint, in line with the specific sector regulations. In particular, complaints concerning:

- Banking services: relating to traditional current account operations, loans, credit facilities and other financial services;
- Payment services: relating to payment cards, credit transfers, direct debits and other money transfer instruments;
- Investment services: relating to the investment services and activities governed by the Consolidated Law on Finance (TUF) and the relevant implementing regulations;
- Insurance intermediation: concerning the sale and management of insurance products through the Bank.

Every year, the Internal Audit Function provides the Board of Directors and the Board of Statutory Auditors with a detailed report on the complaints received. 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. The Compliance Function, in line with internal and external regulations on the matter, reports in its annual report on the situation of complaints received in the reference period, based on the data provided by the function responsible for their management.

In line with the applicable regulatory provisions, the Group has also adopted the Group Regulation on Banking Transparency and the Banking Transparency Regulatory Manual, aimed at governing the operational procedures through which the Group’s companies comply with the obligations imposed by the current regulatory framework, with the ultimate objective of ensuring that relationships with customers are based on the principles of transparency and fairness in dealings with clients. In particular, the aforementioned internal regulations pursue the following main objectives:

- 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.
- enhancing trust in banking and financial institutions by adopting a proportional approach, whereby transparency obligations vary according to the type of customer and the characteristics of the products and services, with the aim of providing customers with communications and information that are

appropriate to their needs and to the complexity of the services offered, thereby enabling a clear presentation of the features and costs of such services and facilitating their understanding by all customers;

- reducing the legal and reputational risks for the Group arising from any non-compliance of pre-contractual and contractual documentation with the applicable regulatory framework. This objective is achieved through the establishment of procedures and processes designed to govern compliance with the specific obligations set out in the applicable regulations, with the aim of upholding the principles of transparency and fairness towards customers and ensuring alignment with the relevant regulatory framework. Proper and transparent management of customer relations is essential to maintaining and strengthening the Institution's reputation and soundness.

Through the aforementioned measures, the Group is committed not only to ensuring compliance with the regulations in force, but also to strengthening customer trust by promoting an environment in which every customer feels protected and is able to make financial decisions in an informed manner.

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

Cybersecurity and the protection of personal data constitute a key strategic pillar for the Group, which manages on a daily basis a significant 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 the highest level of resilience of its IT systems, the Group has established a Security Operations 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

Interaction between the Customer and the Group's Companies may take place through physical channels (Branch, Agency, Advisory services) or digital channels, where the relational component is integrated with digital solutions to enable customers, should they so wish, to access the main payment services offered independently and with full autonomy.

The Group's ongoing commitment to ensuring high-quality services is a key factor in building a long-term relationship, based on mutual trust and respect for customers' needs.

From this perspective, the Group has carried out several initiatives aimed at increasing its customers' awareness and readiness regarding relevant impacts and risks, including those related to cyber security.

The main areas of consumer awareness-raising 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 enhance awareness of the risks associated with data processing but also contribute to strengthening the Group's ability to respond promptly to potential cyber threats, improving internal organisation and corporate reputation.

ESRS S4-3

3.4.1.3. Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

In order to promptly manage any negative impacts arising from its activities, the Group provides reporting channels accessible pursuant to the applicable regulations, including the whistleblowing channel, in compliance 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 Management Policy, which represents a key tool for ensuring the timely and transparent handling of complaints received from customers.

In addition to defining the operating procedures for handling complaints, the aforementioned Policy governs the analysis of complaints received, with the aim of identifying any recurring critical issues and improving the overall quality of the services offered by the Group, thereby helping to strengthen the relationship of trust with customers.

All activities relating to complaint handling and customer relationship management are carried out in full compliance with applicable data protection legislation, in accordance with Regulation (EU) 2016/679 (GDPR) and the related implementing provisions. 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

ESRS S4-4

Innovation and Digitalisation

Digital innovation represents a crucial strategic lever for the 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 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 has been developed to simplify the management of customers’ personal documentation, enabling them to monitor the update status of documents such as the privacy form, identity card and customer due diligence documentation, and to independently initiate the renewal process directly through 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, NEXI debit 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 and VOP: 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. In addition, the VoP - Verification of Payee - service was rolled out across all channels, i.e. a solution applicable to payment transactions relating to euro credit transfers (standard and instant) that checks the match between the IBAN and the payee’s name before payment.

SEND: The activation of SEND-PagoPA information services on the Home banking App positions Banca del Fucino as the **first bank in Italy** to make this solution available to its citizen customers.

This achievement consolidates the Group’s innovative character, helping to give it a distinctive role with Public Administrations.

More specifically, the activation of the SEND service, which is scheduled to become operational from 25 July 2025, has the following main features with current and prospective positive impacts:

- **Banking Channel Consolidation and Strengthening of the Customer Relationship:** The integration of SEND positions our App as the preferred and centralised channel for managing communications and payments with the Public Administration. This strengthens the customer's connection with our online services, increasing their use and loyalty. The Bank becomes the single point of reference for managing its customers' deadlines and obligations, reinforcing the perception of a comprehensive and innovative service.
- **Savings on postage costs and process optimisation:** Adopting a digital channel to receive notices generates significant savings on postage costs for Creditor Bodies and offers customers cost savings, greater efficiency and a lower risk of losing paper communications. This represents an indirect benefit for the Bank, as it strengthens its role as a strategic partner in the country's digitalisation process, which is also a priority at government level.
- **Careful and proactive payment management:** Receiving real-time notices relating to taxes, fines and bills enables our customers to manage their deadlines more carefully and proactively. Through clear, timely notifications, the user will be kept constantly up to date, reducing the risk of late payments, default interest and additional penalties. This not only improves the customer experience, but also ensures greater timeliness in collection flows for Creditor Bodies, generating a positive impact on the entire financial ecosystem and strengthening our position as a key player in the process.
- **Routing of centralised direct debits to strengthen direct funding:** Once fully operational, after the payment component has been activated, the centralisation of Creditor Body payments into Fucino accounts via the SEND infrastructure will attract a significant volume of transactions, generating benefits for direct funding, albeit with intraday flows.
- **Strengthening the Bank's brand awareness:** Integrating the SEND service positions the Bank as an institution at the forefront of digital innovation and attentive to the concrete needs of its customers/citizens. This initiative therefore not only improves operational efficiency and the customer experience, but also significantly consolidates our prestige and reputation at institutional level. This positions the Bank as a key player in the digitalisation of public services and in promoting a more digitally aware citizenship, strengthening the perception of the Bank as a reliable partner operating at the forefront of innovation.

Banca del Fucino Application

In 2024, Banca del Fucino launched its first mobile application dedicated to personal finance management, *PFM Fucino*, marking an important step in the Group's digital evolution. This initiative forms part of a broader digitalisation journey which, in 2025, will continue to be a priority for the Bank, responding to customers' needs for innovation and efficient management of their financial resources. The application was designed to offer users comprehensive support in managing their day-to-day finances and is made available free of charge to all private customers with an active account and home-banking service.

Developed in collaboration with **CRIF**, one of the leading global operators in the credit information sector, *PFM Fucino* stands out for its use of advanced technologies, such as artificial intelligence, which make it

possible to optimise personal finance management. Key features of the app include expense categorisation, the creation of customised savings goals, budget management and the ability to receive early warnings in the event of financial issues, such as liquidity difficulties or exceeding predefined spending limits.

A distinctive feature of the app is its ability to operate in **open banking white label** mode, integrating not only with current accounts held with Banca del Fucino but also with those of other banking institutions. This enables users to view a complete overview of their finances, accessing data securely and in full compliance with privacy, as required by current regulations.

Banca del Fucino continues to pursue, also for 2025, the objective of improving the **customer experience**, offering an increasingly efficient and secure tool for managing financial resources. With *PFM Fucino*, the Bank not only continues its digitalisation process, but also reaffirms its commitment to staying close to its customers, promoting innovative solutions that, while remaining anchored in the tradition of trust that has characterised its business for over one hundred years, respond to the challenges and needs of a constantly evolving market.

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 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. In this regard, the development phases have been launched for an automation solution to manage internal tickets in support of Network operators, in order to free up resources from recurring operational tasks.

The Group continues to focus its resources on investments in digitalisation and the adoption of innovative technologies, confirming itself as a leading institution at the forefront of the evolution of digital financial services and strengthening its positioning in the modern banking market, guaranteeing 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 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

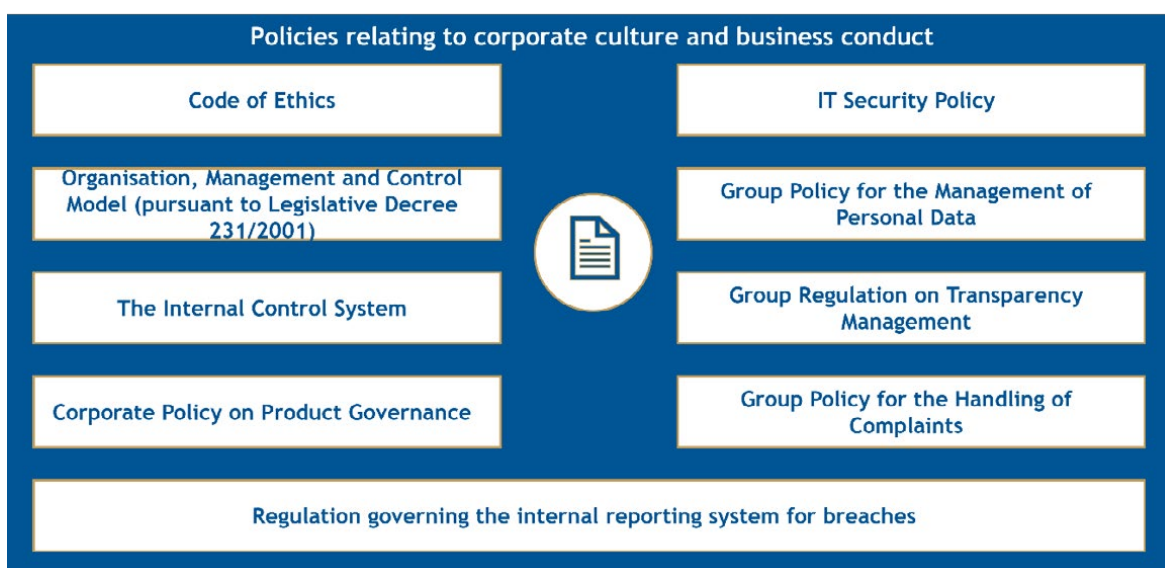
ESRS G1-1

4.1.1.1 Business conduct policies and corporate culture

Business conduct is a fundamental prerequisite for the Group, serving as the benchmark for proper, transparent and reliable management of its activities. From this perspective, the Bank works to consolidate stable and long-lasting relationships with customers, suppliers and business partners, ensuring solidity, business continuity and compliance with the applicable regulations.

The Group recognises that its decisions and methods of operation can have material impacts on individuals, the environment and the surrounding socio-economic environment. For this reason, it adopts an approach based on principles of ethics, integrity and responsibility, promoting balanced and sustainable development. Company policies guide employees' conduct both in internal dynamics and in relations with external stakeholders, fostering transparency, fairness and mutual respect.

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

Ethics and integrity in business conduct are fundamental principles that guide the Group's work. The dissemination of a strong compliance culture not only protects customers' rights, but also contributes to the creation and maintenance of a fair and competitive economic environment, promoting the development of the local area and the relevant communities.

The Group ensures that all activities are carried out in full compliance with the current legislative and regulatory provisions, as well as internal rules and procedures, promoting conduct based on fairness and responsibility at every operational stage. The objective is to proactively manage risks arising from non-compliance with regulatory requirements, best practices and ethical principles.

To this end, the Group has adopted an Organisation, Management and Control Model pursuant to Italian Legislative Decree No. 231/2001, available on the institutional websites of the individual Banks and Group Companies. The Model establishes the principles of control and conduct aimed at preventing the commission of the predicate offences provided for in the Decree, with particular reference to offences against the Public Administration, corporate and financial offences, computer crimes and unlawful data processing, tax offences, organised crime and money laundering.

The Model consists of a General Part, describing the applicable regulatory framework, governance arrangements, organisational structure and operating principles, and a Special Part, focusing on areas of risk and the corresponding control measures, classified by categories of criminal offences. The contents and principles of the Model are communicated to all employees and to parties that maintain contractual relationships with the Group.

The Code of Ethics, which is an integral part of the 231 Model, establishes the values and principles to which members of corporate bodies and employees must adhere in carrying out their activities. In this context, the

Group is committed to protecting human rights, preventing any form of discrimination and promoting inclusion and equal opportunities, irrespective of gender, health, race, political opinions or religious beliefs. Particular attention is devoted to enhancing human resources, through criteria of objectivity, competence and professionalism in staff selection and management processes and to maintaining high standards of occupational health and safety, supported by training and awareness-raising activities.

The Code of Ethics further regulates dealings with customers, suppliers and political and trade union organisations, setting out principles of fairness, transparency and integrity and providing for the avoidance of relationships with counterparties who, on the basis of available information, fail to demonstrate sufficient reliability and reputational standing.

Reports relating to conduct that does not comply with Italian Legislative Decree No. 231/2001 or the Model adopted by the Group Companies must be addressed to the Supervisory Body (OdV), established pursuant to Article 6 of the Decree. The Supervisory Board (OdV), consisting of the Chairperson and two external members, convenes whenever considered appropriate or at the request of the relevant corporate bodies and, in any event, no less than once per year.

The Group also regulates the prevention and management of conflicts of interest through specific regulatory provisions and through the “Policy on transactions with connected parties”, which defines the substantive and procedural arrangements to ensure transparency and fairness in transactions with related parties, including financing, advisory assignments, investment services and other services. This safeguard is intended to prevent distortions in decision-making processes and in the allocation of resources, reducing the risk of exposure to potential capital, operational or reputational impacts.

The Group has also adopted a **“Regulation on the internal system for reporting violations”** (*Whistleblowing*), which governs the procedures for reporting, receiving and handling violations, in compliance with the applicable regulations. The system ensures the confidentiality of information, protection of the identity of the reporting person and the reported person and protection against any retaliation or discrimination.

The Board of Directors of each Company approves the Regulation and reviews the outcomes of the reports and any related follow-up actions, periodically examining reports on the management of the system. The Board of Statutory Auditors verifies the adequacy of the control framework adopted and is informed of the most significant reports, which may be capable of generating material risks from a financial, operational or reputational perspective.

Internal Control System Regulation

The Regulation governing the Internal Control System aims to outline the principles and guidelines followed by the Group in defining and implementing its Internal Control System (ICS), in compliance with the applicable regulatory framework, with particular reference to Bank of Italy Circular No. 285/2013 and the related Supervisory Provisions. The document provides a detailed description of the corporate control

structure, including the roles and responsibilities of the corporate bodies, Senior Management, control functions and operational units.

The Internal Control System is based on the principle of proportionality, which requires that duties and responsibilities be defined in accordance with the Group's organisational structure and business model. The Board of Directors is responsible for the annual review of the adequacy of the Internal Control System (ICS), taking into account the assessments provided by the second and third-level control functions.

The Internal Control System consists of a set of rules, functions, organisational structures, resources, processes and procedures designed to ensure, in accordance with the principles of 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.

The Internal Control System (ICS) is an essential component of the Group's governance, ensuring that business activities are carried out consistently with the strategies defined and with the principles of sound and prudent management. The Internal Control System also has strategic importance in decision-making processes, constituting an indispensable safeguard for the proper functioning of the organisation.

The control culture is not limited solely to the functions in charge, but involves the entire corporate structure. Each hierarchical level and every member of staff are called upon to contribute to the identification, measurement, management and timely communication of risks, following a systematic and integrated approach.

From this perspective, the adoption of a structured internal control system promotes the dissemination, at all levels, of a culture of risk awareness, legality and corporate values that form the foundation of the Group's operations.

Within the framework of its internal control system and in alignment with the Model 231, the Group has also identified the functional areas potentially most exposed to risks of corruption and extortion. Such risks may arise, in particular, in activities involving dealings with the Public Administration, the engagement of third-party counterparties, the processes for the selection and management of human resources, and 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 Group, the prevention of money laundering and combatting the financing of terrorism are a priority, including as part of the safeguards ensured by the Organisation, Management and Control Model pursuant to Italian Legislative Decree No. 231/2001. These areas are overseen by the Anti-Money Laundering Function (hereinafter, the "Function"), which is tasked with continuously verifying the adequacy of the process for managing the related risks and the correct implementation of the Internal Control System.

The Function identifies the applicable regulations on the prevention and combatting of money laundering and the financing of terrorism, assesses their impact on internal processes and procedures and proposes the organisational and procedural measures deemed suitable to ensure effective oversight 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. In this context, it carries out a prior check of the available information on counterparties in order to ascertain their reliability and the legitimacy of the activity carried out before establishing business relationships. This approach makes it possible to avoid involvement, even potentially, in transactions that may facilitate money laundering or the financing of terrorism, in line with the applicable regulations and internal control procedures.

In implementation of the risk-based approach and in compliance with the principle of proportionality, the Group has developed an organisational, operational and control framework suitable to ensure compliance with the anti-money laundering regulations. The system is based on an annual money laundering risk analysis, which takes into account factors such as economic size, geographical distribution, the complexity of the products and services offered, the organisational structure and the business model.

Through its Anti-Money Laundering and Anti-Terrorism Policy, the Parent Company defines organisational solutions aimed at ensuring compliance with the regulatory provisions and periodically verifies the effectiveness of the policies adopted at Group level, promoting their implementation by the subsidiaries. The Parent Company further ensures the adoption of any remedial actions requested by the relevant supervisory authorities, including the Bank of Italy.

The roles and responsibilities of the control functions are governed by specific internal documents, including the General Regulation on the Internal Control System and the Anti-Money Laundering Function Regulation, which define the operational procedures necessary to ensure full compliance with applicable regulatory requirements.

MiFID II - Corporate Policy on Product Governance and Appropriateness and Suitability of Investment Services

Directive 2014/65/EU (MiFID II) introduced significant innovations in the investment services sector, with particular reference to product governance. The provisions aim to strengthen investor protection, ensuring that the best interests of customers are pursued throughout the entire life cycle of financial products, from the design stage through to distribution.

The legislation provides for specific obligations on intermediaries already at the financial product design stage. In this context, the intermediary is required to consider customers' characteristics, needs and objectives from the outset, and not solely at the distribution, recommendation or sale stage. This approach helps to ensure that products are consistent with the relevant target market and to anticipate investor protection needs.

In order to ensure full compliance with the MiFID II provisions, Banca del Fucino S.p.A. and BIAE S.p.A. have adopted specific internal policies governing the processes, organisational measures and controls relating to the management of financial products. These safeguards relate in particular to products distributed, recommended or offered to customers, ensuring alignment between business strategies, product features and investors' objectives.

With regard to financial instruments, the assessment of sensitivity to ESG issues is carried out through specific indicators included in the instrument master data, quantified by means of a score ranging from 0 (minimum) to 100 (maximum). The adequacy assessment process is based on the calculation of a portfolio score, determined as the weighted arithmetic average of the scores of the individual products, using as weights the amounts held in the portfolio, both before and after the recommendation. For each customer summary profile, a minimum holding threshold is identified consistent with the related level of risk.

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 approach makes it possible to integrate environmental, social and governance factors into portfolio composition, encouraging investment choices that are consistent with customers' stated orientations.

IT Security Policy

The document sets out the operational and procedural mechanisms adopted by Banca del Fucino S.p.A., BIAE S.p.A. and Fucino Finance S.p.A. for the management of key ICT processes and information 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, including hardware and software resources, data, electronic documents and telecommunications networks, is structured so as to ensure adequate levels of security and efficiency, ensuring the proper performance of the corporate processes that rely on it. From a strategic perspective, an appropriately organised IT system makes it possible to leverage the use of technology to improve customer services, optimise internal processes and contain operating costs, while also fostering the digital evolution of banking services.

As part of sound and prudent management, the IT system must ensure that it provides timely and detailed information to support management decision-making processes and proper risk management. 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 is configured so as to ensure compliance with the applicable regulatory and supervisory provisions, guaranteeing the recording and retention of management facts and relevant events as required by internal and external regulations.

With regard to IT security, the Group has adopted a specific IT Security Policy, which defines objectives consistent with the company's technological risk appetite. The Policy sets out the general security principles, identifies roles and responsibilities in the management of IT safeguards and provides guidelines on training, awareness-raising and updating personnel on cyber risks. Internal penalties are likewise established in the event of non-compliance with the provisions, in compliance with the relevant regulatory requirements.

It is approved by the Board of Directors and updated by the Information Security Function. The related operating practices are formalised in the "ICT Procedures Manual" of the individual Banks and Group Companies.

Group Policy for the Management of Personal Data

The Group Policy on the Protection of Personal Data sets out the guidelines aimed at ensuring the protection of personal data within the Group, in accordance with Regulation (EU) 2016/679 (GDPR) and the applicable national legislation. The document incorporates and regulates the principles of accountability, privacy by design and privacy by default, ensuring that data processing is carried out lawfully, securely and in full respect of data subjects' rights.

Responsibility for the adoption of the Policy lies with the Board of Directors of the Parent Company, which ensures its implementation across all Group companies (Banca del Fucino S.p.A., BIAE S.p.A. and Fucino Finance S.p.A.). The Group Data Protection Officer (DPO) is responsible for disseminating the Policy and monitoring compliance with the internal provisions.

The main safeguards in place include:

- the rules governing processing, including the definition of the conditions of lawfulness and the obligation to record processing activities;

- the system of appointments and contracts, aimed at regulating the corporate roles involved in data processing, including authorised persons, data processors and joint controllers;
- the application of the principles of privacy by design and privacy by default, ensuring the protection of data from the design stage of services and business processes;
- Data Protection Impact Assessment (DPIA) in cases where processing operations may present high risks for the rights and freedoms of data subjects;
- the management of personal data breaches (data breaches), through internal procedures for reporting and notifying the competent authorities.

The implementation of the Policy is supported by the adoption of appropriate security measures, including data encryption and pseudonymisation, as well as procedures designed to ensure the integrity and availability of the information processed.

Group Regulation on Transparency Management

The Group Regulation on Banking Transparency, published on 24 April 2024, governs the principles and operating procedures aimed at ensuring clarity, correctness and completeness of the information provided to customers throughout the entire banking relationship cycle, from the advertising stage through 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;
- Payment services and consumer credit, including details on costs, terms and withdrawal conditions;
- Sale and intermediation of financial and insurance products, to ensure compliance with applicable 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

The Group recognises the strategic relevance of its relationships with its suppliers, considering them key stakeholders in pursuing corporate objectives and creating value in the medium to long term. Responsible management of the supply chain makes it possible to ensure the quality of the products and services acquired, while contributing to the mitigation of operational and reputational risks, operational continuity and the generation of economic and environmental impacts consistent with the Group's direction.

The Group promotes dialogue based on transparency and collaboration, fostering open communication with suppliers and the sharing of information useful for the continuous improvement of efficiency and service quality. In this context, the relationship with suppliers is not limited to a merely contractual dimension, but takes the form of a relationship oriented towards stability and mutual trust.

The Group's Code of Ethics specifically governs relations with suppliers, requiring such relationships to be managed in accordance with the principles of fairness, fair competition and reciprocity. The selection of suppliers is carried out on the basis of objective and transparent criteria, including requirements relating to quality, reliability and financial soundness. These criteria include competitiveness, usefulness of the service, ability to provide ongoing assistance and commitment to compliance with applicable environmental and social regulations.

The Group 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.

In addition to the above, the Group has developed the procedure "**BforWEB**", a web application that enables the management of existing outsourcing agreements with service providers and subcontractors. Specifically, the system makes it possible to:

- indicate the type of outsourced function and the relevant register;
- distinguish between outsourcing of critical or important functions and other outsourcing arrangements, including terminated outsourcing arrangements;
- archive the supporting documentation.

The Group incorporates social and environmental criteria in the selection of suppliers, requiring compliance with the provisions and recommendations contained in the Organisational, Management and Control Model pursuant to Legislative Decree 231/2001 and in the Code of Ethics.

Suppliers are accordingly required to comply with the principles established therein, with the provision for specific contractual penalties in cases of breach. Contracts also include a clause requiring counterparties to comply with applicable regulations relating to sustainability, transparency and corporate integrity.

The Bank also promotes the adoption of sustainable practices throughout the supply chain, giving preference to economic operators that demonstrate a concrete commitment to reducing environmental impact, using resources efficiently and safeguarding workers' rights. Through monitoring activities and ongoing dialogue with suppliers, Banca del Fucino pursues a management model based on the principles of ethics, transparency and sustainability.



4.1.1.4 Prevention and detection of corruption and bribery

ESRS G1-3

The Group adopts a structured governance and compliance framework aimed at preventing and detecting incidents of corruption and extortion. 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 Group'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.



Each Group company also has an independent Supervisory Body (Organismo di Vigilanza - OdV) responsible for monitoring the effectiveness of the Model 231. The Supervisory Board is composed of independent external members. The Supervisory Body is tasked with receiving reports of misconduct and initiating internal investigations, reporting periodically to the Board of Directors and the Board of Statutory Auditors to ensure transparency in oversight processes. The reporting includes evidence of any violations identified and the corrective actions adopted. 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.

The Group stands out for its structured approach to corruption prevention, ensuring high standards of integrity and transparency. The adoption of Model 231 and the whistleblowing system, combined with ongoing training initiatives, strengthens the Group's commitment to combating corruption, in line with best practices in the banking sector.

4.1.2 Metrics and Targets

4.1.2.1 Incidents of corruption or bribery

ESRS G1-4

During 2025, no cases of violations of regulations concerning active or passive corruption involving the Group were recorded.

OTHER MANAGEMENT INFORMATION

Organisational Measures

Strengthening technological infrastructure and cyber security

The Parent Company's Operations Department continued implementing the multi-year programme aimed at strengthening the technological infrastructure and ensuring overall oversight of ICT risks.

The ICT & Security Governance Plan completed in 2025 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.

The main areas considered a higher priority for intervention for the three-year period 2023-2025, in which improvement points were identified during the checks and assessments mentioned above:

- implementation of ICT and security safeguards;
- management and control of logical access to systems;
- monitoring and management of security events on networks and ICT infrastructures;
- business continuity management processes and safeguards.

The activities address one or more of the following needs:

- a) Security: strengthening technical and organisational information security safeguards;
- b) Compliance: compliance with regulatory constraints;
- c) Development: introduction of new technologies in line with business priorities. These activities were identified in accordance with a "risk-based" and "business oriented" approach;
- d) Control: verifying the effectiveness of measures to protect corporate assets.

During 2025, high priority was assigned to cybersecurity and to the protection of the confidentiality and security of information.

Definition and implementation of the three-year ESG plan 2023-2025

The Group's ESG Strategic Plan was drawn up in response to requests from the Supervisory Authority, which required the preparation of a three-year action plan aimed at strengthening the integration of climate and environmental risks into the strategy, the business model, governance systems and risk management processes.

In this context, Banca del Fucino defined and submitted its ESG Strategic Plan to the Bank of Italy in March 2023, in line with the guidance received, with the aim of outlining a structured and gradual path to meet supervisory expectations.

The drafting of the Plan took into account the principles of proportionality, distinctiveness and focus in order to ensure an approach consistent with the size, operating model and specific characteristics of the Group, prioritising high-impact initiatives that are more relevant to the reference context in which the Bank operates.

The plan provides for:

- Progressive integration of environmental, social and governance factors into decision-making and risk management processes;
- Promotion of initiatives aimed at reducing the Group's direct environmental impacts through process digitisation, improving the energy efficiency of premises, streamlining the IT infrastructure and supporting sustainable mobility;
- Supporting the transition towards a low-carbon economy through the financing of renewable energy projects and the promotion of green lending products;
- Generating social value by strengthening workplace safety safeguards in the credit supply chain, promoting financial education and supporting social, cultural and sporting initiatives in the territories of reference;
- Consolidation of ESG governance, development of dedicated information systems and KPIs and dissemination of a sustainability culture through training programmes.

The Parent Company launched an activity to link the objectives of the ESG Strategic Plan with the material ESRS topics reported in the sustainability statement in order to ensure consistency between strategy, operational actions and annual reporting.

For the material ESRS Topics and SubTopics relating to

- G1 - Business conduct;
- E1 - Climate Change;
- E3 - Water and Resources

it should be noted that no specific objectives or related actions were identified within the ESG Strategic Plan. However, the Parent Company is committed to continuously monitoring the evolution of these issues and to considering future actions and objectives when updating the ESG Strategic Plan.

Alignment with DORA requirements

As part of the infrastructure strengthening plan, particular emphasis was placed on the project to align with the requirements introduced by the DORA Directive.

The activities focused in particular on business continuity and the prevention of risks related to engaging ICT third parties.

In conjunction with the control functions, the implementation of the onboarding and monitoring model for ICT third parties was launched, with a focus on analysing and preventing the related risks.

The project is still ongoing and provides for full alignment of supplier contracts in order to specify how information is collected and to share the arrangements for managing major events (e.g. cyber incidents).

Strengthening anti-fraud safeguards

In recent years, there has been an increase in the risk of fraud affecting banks and their customers due to the growing sophistication of enabling technologies.

Hacking and social engineering techniques, often also enabled by artificial intelligence, have considerably increased the risk of fraud (via bank transfers or other payment systems).

In parallel with the cross-cutting activities to strengthen cyber security safeguards implemented by the Group, the “anti-fraud” project was completed, structured around the following lines of action:

1. review of critical processes, also introducing new technology-enabled preventive controls;
2. training of internal staff, giving priority to resources that interact with customers;
3. providing customers with information through the main contact channels in order to strengthen awareness of the risk of fraud and reduce the likelihood that customers will inadvertently cooperate with fraudsters.

These activities will be repeated and continuously strengthened by adapting safeguards to the ever new threats identified by the Group and by the trade associations with which the Group cooperates.

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 2025, the Group's Research and Development activities focused mainly on business development objectives, the efficiency of internal processes aimed at containing risks and continuously improving services and strengthening IT systems and the technological infrastructure.

Disclosure pursuant to Article 2428, paragraph 3, number 6-bis of the Italian Civil Code

Information on the objectives and policies for managing financial risk, including the hedging policy for each main category of transactions undertaken, as well as on the Group's exposure to price risk, credit risk, liquidity risk and cash flow risk, is presented in Part E of the Notes to the Financial Statements.

EVENTS AFTER THE REPORTING DATE**Other significant events after the reporting date*****Communication of the funding plans for the two-year period 2026-2027***

During February 2026, the Bank of Italy - Banking and Financial Supervision Department, Banking Supervision Service 2 - submitted a communication concerning the collection of funding plans for less significant banks for the 2026-2027 period (hereinafter the “Funding Plan 2026-2027”).

The Parent Company defined the funding plans for the two-year period 2026-2027 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.

Società Edilizia Pineto (SEP) - Shareholders’ Loan

On 1 December 2025, the Ordinary Shareholders’ Meeting of SEP submitted a request for financing in the amount of €430,000 to cover ordinary cash requirements for the 2026 financial year. On 27 February 2026, the Board of Directors of the Parent Company approved the granting of a shareholders’ loan of €172,000, disbursed in a first tranche of €120,000 on 3 March 2026.

Business Plan

Preparatory activities for drafting the Group’s new 2026-2028 Business Plan are currently under way. The new plan takes into account the need to develop different scenarios, also to address the guidance from the supervisory authorities and support the ICAAP-ILAAP and recovery plan processes.

In particular, the new plan will be structured with the following key points in mind:

- strategic-industrial assessment and the macroeconomic context;
- alternative strategies for safeguarding the value chain in line with the Group’s corporate purpose;
- identification of how to strengthen the safeguards of core segments or any exit strategy from specific markets considered non-core to the Group’s strategic design;
- definition of the Group’s target commercial positioning;
- identification of initiatives aimed at optimising operational efficiency, within a framework focused on increasing productivity levels and achieving cost reduction;
- analysis of capital requirements and actionable industrial drivers.

Green segment - Further developments

On 30 October 2025, the Framework Agreement for the Valma Transaction was signed between E-Way Finance and the companies Scisse HoldCo, E-Way Baselice 2.0, E-Way Wind and E-Way Solar. At the same time, and on the basis of the agreement in question, E-Way Finance, for the purpose of ensuring the proper fulfilment of the commitments already undertaken by the Shareholders pursuant to the 2025 Memorandum of Understanding (MoU), entered into an agreement with the Demerged Companies under which the Demerged Companies acknowledged their obligation to transfer to E-Way Finance the shareholdings in the SPVs holding their respective projects (upon each project reaching the specific development stage of “ready to build”), in accordance with the provisions of the Co-Development Agreement, or alternatively to issue in favour of E-Way Finance participating financial instruments or other equivalent equity instruments.

These instruments carry no voting rights and/or administrative rights of any kind in the corporate bodies of the issuing companies but benefit from priority of repayment over ordinary shareholders in the distribution of any dividends, the approval of which in any case remains within the exclusive competence and discretion of the issuing company, including in the event of liquidation. The participating financial instruments (SFPs) were issued by the Scisse companies in February 2026 for a total amount of €14.7 million, broken down as follows:

- issue by E-Way Solar for an amount of €5.15 million;
- issue by E-Way Wind for an amount of €4.4 million;
- issue by HoldCo for an amount of €4.8 million;
- issue by E-Way Baselice 2.0 for an amount of €0.3 million.

Such issuance, aimed at providing E-Way Finance with the instruments necessary for the acquisition of the Valma shareholding completed in 2025, entails the waiver by E-Way Finance of the right to transfer the plants held by the Demerged Companies and, upon the transfer of the participating financial instruments (SFP) to Volt, the associated right to a share of future dividends is transferred to Volt in its capacity as holder of the SFP.

Based on the intentions expressed by the parties in the MoU signed in connection with the merger and demerger, they undertook, among other things, to terminate the Valma contract through the actions initially envisaged in the MoU itself, aimed at cancelling the transaction. The original intentions set out in the MoU were taken up as objectives underlying the Framework Agreement for the Valma Transaction mentioned above, to which E-Way Finance is a party and therefore reiterates the objectives of the MoU as its own. Under this arrangement, it is clear that the ultimate objective of E-Way Finance’s action is the termination of the Co-Development Agreement. The above-mentioned companies are currently carrying out legal analyses to define how the Co-Development Agreement will be closed.

Escalation of geopolitical conflicts

In light of recent geopolitical tensions and the deterioration of the international context linked to the escalation of the conflict in Iran - factors that could create uncertainty about the performance and valuation



of the assets in the Group's portfolio - management promptly launched dedicated monitoring to assess the possible impacts on the foreseeable evolution of the Group's operations and the assets in its portfolio. It should be noted, however, that the Group's business is predominantly domestic. Therefore, although the geopolitical environment is still evolving and characterised by limited clarity as to future developments and potential effects on the economies and societies of the international community, at present no significant impacts are expected.

BIAE - Launch of inspection activities

On 19 March 2026, by letter hand-delivered to the Deputy Acting Director General of BIAE, the inspection activities by the Financial Intelligence Unit of the Bank of Italy began pursuant to Article 6, paragraph 4, letter F) and paragraph 5, letter A) of Legislative Decree No. 231 of 21 November 2007.

The ordinary activities initiated as a result are being carried out with the full *commitment* of the relevant internal units within the dialogue with the inspection *team*.

BIAE - Strategic agreement for equity participation

With regard to the Investment Agreement signed in the second half of 2025 between Banca del Fucino, BIAE and the strategic partner identified for the participation in BIAE's share capital, the activities aimed at obtaining the Authorisations are currently under way and a longer period has been set for the fulfilment of the Conditions Precedent provided for by the Agreement, by 31 December 2026.

FORESEEABLE EVOLUTION OF OPERATIONS**EVOLUTION OF THE MACROECONOMIC CONTEXT IN 2026*****The international landscape***

According to the latest IMF forecasts, in 2026 the global economy is expected to grow by 3.3%, unchanged from the previous two years. Advanced economies as a whole are expected to see GDP expand by 1.8%, one tenth of a percentage point higher than in 2025; a slight slowdown is expected for emerging economies, forecast to grow by 4.2% from 4.4% in the previous year. International trade growth, on the other hand, is set to fall sharply, with growth expected to stand at 2.6% compared with 4.1% in 2025. The US economy is expected to expand by 2.4% in 2026, three tenths of a percentage point higher than in 2025. The impetus for this stronger growth is expected to come from expansionary fiscal and monetary measures as well as a loosening of regulation in the financial sector. These measures, however, carry the risk of undermining the country's financial stability, already fragile due to high uncertainty and particularly stretched valuations on the main national stock indices. The issue of trade tariffs also remains unresolved: during 2026, the US will have to negotiate once again with its major trading partners, *first and foremost* China. The risk is that these negotiations could once again lead to heavy downward corrections in stock market indices, whose performance is now a key factor in the resilience of the US economy. Chinese growth in 2026 is expected to stand at 4.5%, slowing by half a percentage point compared with 2025. The current year will first and foremost see the launch of the new Five-Year Plan which, overall, should confirm the direction set with Made in China 2025, namely the modernisation of China's production system aimed at positioning China at the cutting edge of global technological innovation. In this regard, central importance will be given to the development of an entirely autonomous AI ecosystem that is deeply integrated into the national production system. From the perspective of China's leadership, these projects are consistent with China's other major strategic objective, namely the development of domestic consumption.

With regard to the Euro area, growth in 2026 is expected to remain broadly in line with 2025 levels, at 1.3% (1.5% in 2025). The current year is expected to see a return to solid GDP growth rates in Germany, forecast to rise by 1.1%, driven in particular by the expected public investment in defence and infrastructure. Growth in the French economy is also expected to strengthen to 1.0%, with the important *caveat* stemming from the country's debt situation, with particular reference to public debt. A significant slowdown is expected in the Spanish economy, whose GDP growth is projected to moderate to 2.3%, from 2.9% in 2025, while nevertheless remaining above the Euro area average. However, the estimates reported above incorporate the assumption of a reduction in uncertainty in the international scenario, a prospect that is far from guaranteed. Geopolitical uncertainty, in particular, appears set to remain high in the current year due to the continuation of the war in Ukraine and the outbreak of the war in Iran. In particular, the flare-up of this second conflict entails considerable risks for the global economy, given the central role of the Middle East in trade and energy flows. If the situation does not undergo de-escalation in the short term, global economic growth forecasts will need to be revised downwards.

Italy

Growth in the Italian economy in 2026 is expected to remain at the same level as in the last three years, at 0.7%. The contribution of net external demand is expected to be negative or nil - in line with what occurred in 2025 - due to the stronger growth in imports than exports as well as the persistence of international trade tensions. The trade balance is nevertheless expected to remain firmly in positive territory. GDP growth will be sustained by domestic demand. According to the Bank of Italy's forecasts of December 2025, investments are expected to grow by 1.3%, driven both by public spending under the PNRR and by companies' purchases of capital goods. On the consumption side, private consumption growth is expected to stand at 0.9%, benefiting from a positive economic environment: 2026, in fact, is expected to see the unemployment rate remain at historically low levels (around 6%), inflation remain below 2% and real wage growth remain positive for the third consecutive year. 2026 is also expected to see the stabilisation of Italian industrial production's return to expansionary territory. This is expected to benefit from Germany's public investment in its domestic industry, which is strongly interconnected with Italy's. Germany's recovery, however, is one of the key uncertainties of the current year.

The main risks to Italian growth in 2026 are related to the international context. Leaving aside the issue of US tariffs and the consequences of a possible downward correction in US financial markets, the strength of the euro against the main international currencies is a cause for concern. This situation - which penalises exporting countries such as Italy - risks being a trend that is not short-lived, as it is rooted in the current scenario of growing doubts about the dollar's international role. Geopolitical tensions in the Middle East, moreover, could lead to new increases in energy commodity prices, undermining the current recovery in real wages. The recent military escalation between the Israel-US alliance and Iran, should it develop into a long-lasting conflict, would likely end up undermining current expectations for growth in the Italian economy. The Italian banking system - leaving aside these elements of uncertainty - is expected to see a 2026 still characterised by high profits.

Despite the decline in interest rates, they are in fact expected to remain at levels higher than those observed during the decade following the Great Recession, thereby supporting the contribution of net interest income to total operating income. Other revenues - *primarily fee and commission income* - are expected to grow and could, as early as 2026, return to representing the predominant share of banking profits.

The decline in interest rates should continue to revive customer demand for loans, particularly in the corporate segment, which remained in contractionary territory for longer. Funding is expected to continue the growth that began in 2025, with particular strength in the current account deposits component: the latter, characterised by high liquidity, have in fact regained attractiveness in customers' eyes compared with fixed-term deposits, which savers had turned to, to protect themselves from inflation in the two-year period 2022-23. The bond component is expected to continue to grow, albeit at modest levels. Non-performing loans and bad loans are expected to remain at historically low and unproblematic levels.

GROUP BUSINESS OUTLOOK FOR 2026

For the Parent Company, Banca del Fucino, 2025 marked the year in which the business model pursued by management fully came into force. Under this model, revenue streams related to core banking activities

ensure the financial balance of operations, with revenue growth driven mainly by total operating income (and, within it, by net interest income) and achieved without recourse to extraordinary transactions.

2026 will be characterised by the confirmation and strengthening of the central role of traditional intermediation activities, including with reference to the retail segment, which will see the launch of specific customer acquisition campaigns.

Derisking initiatives and organisational streamlining aimed at improving oversight of activities and the management of associated risks will continue.

The revision of the Industrial Plan is currently under way, with the support of a leading consulting firm, as a preparatory step towards the conclusion of the authorisation process that is still ongoing.

With reference to the subsidiaries included within the banking group's scope, the 2026 financial year will see an expansion of operations, which may be accompanied by partnership agreements aimed at further broadening the scope of the markets served.

The year will therefore be characterised by continued growth of the Bank and the Group, including through external growth initiatives.

For the subsidiary Fucino Finance, in 2026, following the achievement of break-even in 2025, an expansion in business volumes is expected, and consequently an increase in revenues.

This objective will be achieved by leveraging two distribution channels: the one represented by the branches of partner banks, considered strategic (and for which expansion will be considered, including through new agreements with additional intermediaries), and the one consisting of networks of agents and brokers, also of essential importance for diversifying the offering and expanding territorial presence.

For 2026, therefore, management priorities will be geared towards:

- consolidating the profitability achieved and increasing the resilience of the income statement;
- continuing to improve the efficiency of processes and procedures;
- further strengthening credit controls and the quality of the portfolio;
- supporting business development with a selective approach, while preserving profitability and sustainability.

From a managerial and strategic standpoint, the Company has demonstrated, in each of its areas, a long-term vision with a structured approach to planning, governance and industrial integration, laying the foundations for sustainable and profitable growth.

Thanks to a strong commercial platform, a team with proven sector expertise and a flexible business model, Fucino Finance now presents itself as a mature operator, ready to face the challenges of the next development cycle with determination and awareness.



Following the relaunch of its operations associated with the rebranding completed in October 2025, the Italian Bank for the Environment and Energy has centred its activities - constituting a unique case not only within Italy - on supporting the energy transition through both financing and advisory activities.

During 2026, as regards lending activities in particular, the offering will focus on medium to long-term financing for small and medium-sized photovoltaic plants.

As regards advisory activities, the main focus will be on specialist consultancy and M&A and Debt Advisory services.

Operations along both lines of business are expected to expand.

The tightening of the international context linked to the escalation of the conflict in Iran is not expected to have significant impacts on the Group's business.

CONSOLIDATED FINANCIAL
STATEMENTS AS AT
31 DECEMBER 2025



CONSOLIDATED BALANCE SHEET

Consolidated Assets

Assets	31/12/2025	31/12/2024
10. Cash and cash equivalents	478,297	362,592
20. Financial assets measured at fair value through profit or loss	48,251	37,887
a) financial assets held for trading	2,826	3,144
b) financial assets designated at fair value	12,599	-
c) other financial assets mandatorily measured at fair value	32,826	34,742
30. Financial assets measured at fair value through other comprehensive income	535,450	645,731
40. Financial assets measured at amortised cost	3,685,409	3,327,890
a) loans to banks	100,642	95,729
b) loans to customers	3,584,768	3,232,161
50. Hedging derivatives	87	26
70. Investments in subsidiaries, associates, and joint ventures	85,859	78,648
90. Property, plant and equipment	109,643	109,736
100. Intangible assets	3,302	3,667
of which:		
- goodwill	2,001	2,001
110. Tax assets	72,811	71,231
a) current	25,692	19,121
b) deferred	47,120	52,110
120. Non-current assets and disposal groups classified as held for sale	-	14,500
130. Other assets	515,779	621,370
Total assets	5,534,888	5,273,277

**Consolidated liabilities**

Liabilities and equity items	31/12/2025	31/12/2024
10. Financial liabilities measured at amortised cost	5,035,355	4,835,562
a) amounts due to banks	786,147	944,693
b) amounts due to customers	4,058,091	3,764,167
c) debt securities issued	191,117	126,702
20. Financial liabilities held for trading	3,235	3,694
40. Hedging derivatives	36	83
60. Tax liabilities	4,836	1,851
a) current	2,754	10
b) deferred	2,082	1,841
80. Other liabilities	134,512	129,237
90. Staff severance pay	2,837	3,018
100. Provisions for risks and charges	9,572	7,877
a) commitments and guarantees given	2,693	1,213
c) other provisions for risks and charges	6,879	6,664
120. Valuation reserves	(1,277)	(3,317)
140. Equity instruments	3,140	3,140
150. Reserves	14,992	13,538
160. Share premium	53,468	36,034
170. Share capital	270,347	232,265
190. Equity attributable to non-controlling interests (+/-)	20	20
200. Profit (Loss) for the year (+/-)	3,815	10,276
Total liabilities and equity	5,534,888	5,273,277



CONSOLIDATED INCOME STATEMENT

Items	31/12/2025	31/12/2024
10. Interest income and similar income of which: interest income calculated using the effective interest method	188,494 180,217	214,930 207,290
20. Interest expense and similar charges	(92,807)	(127,610)
30. Net interest income	95,687	87,319
40. Fee and commission income	36,888	34,097
50. Fee and commission expense	(7,065)	(7,951)
60. Net fees and commissions	29,823	26,146
70. Dividends and similar income	1,149	1,084
80. Net trading income	28,898	35,090
90. Net result of hedging activities	42	9
100. Gains (losses) on disposals or repurchases of:	7,152	5,749
a) financial assets measured at amortised cost	1,296	280
b) financial assets measured at fair value through other comprehensive income	5,856	5,470
110. Net gain/(loss) on other financial assets and liabilities measured at fair value through profit or loss	765	(3,085)
a) financial assets and liabilities designated at fair value	351	-
b) other financial assets mandatorily measured at fair value	414	(3,085)
120. Net Interest Income	163,515	152,314
130. Net adjustments/write-backs for credit risk related to:	(35,699)	(76,733)
a) financial assets measured at amortised cost	(35,835)	(76,614)
b) financial assets measured at fair value through other comprehensive income	135	(120)
140. Gains/(losses) from contractual modifications without derecognition	-	-
150. Net financial result	127,815	75,581
190. Administrative expenses:	(118,537)	(121,719)
a) personnel expenses	(61,906)	(60,469)
b) other administrative expenses	(56,631)	(61,250)
200. Net provisions for risks and charges	(1,993)	(3,502)
a) commitments and guarantees given	(1,480)	(72)
b) other net provisions	(513)	(3,429)
210. Net impairment losses/reversals on property, plant and equipment	(10,053)	(9,556)
220. Net impairment losses/reversals on intangible assets	(981)	(1,222)
230. Other operating income/expenses	15,745	18,468
240. Operating costs	(115,819)	(117,531)
250. Profits (Losses) from investments in subsidiaries, associates, and joint ventures	(1,957)	50,412
280. Gains (Losses) on disposal of investments	-	5
290. Profit (Loss) from current operations before tax	10,040	8,467
300. Income tax for the period on current operations	(6,224)	1,809
310. Profit (Loss) from current operations after tax	3,815	10,276
330. Profit (Loss) for the year	3,815	10,276
340. Profit (Loss) for the year pertaining to minority interests	-	-
350. Profit (Loss) for the year pertaining to the Parent Company	3,815	10,276



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Items		31/12/2025	31/12/2024
10.	Profit (Loss) for the year	3,815	10,276
	Other comprehensive income, net of tax, not reclassified to profit or loss	281	320
20.	Equity instruments designated at fair value through other comprehensive income	(74)	146
70.	Defined benefit plans	354	174
	Other comprehensive income, net of tax, reclassified to profit or loss	1,759	2,010
150.	Financial assets (other than equity instruments) measured at fair value through other comprehensive income	1,759	2,010
200.	Total other comprehensive income, net of tax	2,040	2,330
210.	Comprehensive income (Item 10 + 200)	5,855	12,606
220.	Consolidated comprehensive income attributable to non-controlling interests	-	-
230.	Consolidated comprehensive income attributable to the Parent Company	5,855	12,606

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY
Statement of Changes in Consolidated Shareholders' Equity as at 31 December 2025

	Amounts as at 31/12/2024	Changes in opening balance	Balances as at 01/01/2025	Allocation of prior year profit/(loss)		Changes during the period									Group equity as at 31/12/2025	Non-controlling interests as at 31/12/2025
				Reserves	Dividends and other allocations	Changes in reserves	Equity transactions							Comprehensive income for the period 31/12/2025		
							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			
Share capital	232,286		232,286				38,081								270,347	20
- ordinary shares	232,286		232,286				38,081								270,347	20
Share premium	36,034		36,034				17,434								53,468	
Reserves	13,538		13,538	10,276		(8,821)									14,992	
- retained earnings	13,170		13,170	10,276		(9,504)									13,942	
- other	368		368			682									1,050	
Valuation reserves	(3,317)		(3,317)											2,040	(1,277)	
Equity instruments	3,140		3,140												3,140	
Profit (Loss) for the year	10,276		10,276	(10,276)										3,815	3,815	
Group equity	291,936		291,936			(8,821)	55,515							5,855	344,484	
Non-controlling interests	20		20													20

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 prior year profit/(loss)		Changes during the period									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			
Share capital	218,693		218,693				14,743						(1,150)		232,265	20
- ordinary shares	218,693		218,693				14,743						(1,150)		232,265	20
Share premium	31,004		31,004				5,030								36,034	
Reserves	7,967		7,967	13,332		(5,720)							(2,041)		13,538	
- retained earnings	7,879		7,879	13,332		(6,000)							(2,041)		13,170	
- other	87		87			280									368	
Valuation reserves	(5,647)		(5,647)											2,330	(3,317)	
Equity instruments	3,140		3,140												3,140	
Profit (Loss) for the year	13,332		13,332	(13,332)										10,276	10,276	
Group equity	266,311		266,311			(5,720)	19,773						(1,034)	12,606	291,936	
Non-controlling interests	2,177		2,177										(2,157)			20

CONSOLIDATED CASH FLOW STATEMENT - INDIRECT METHOD

Indirect Method

A. OPERATIONAL ACTIVITY	Amount	
	31/12/2025	31/12/2024
1. Operations	17,921	60,324
- profit/(loss) for the period (+/-)	3,815	10,276
- gains/losses on financial assets held for trading and on other assets/liabilities at fair value through profit or loss (-/+)	(30,046)	(36,175)
- gains/losses on hedging activities (-/+)	(108)	(25)
- net credit impairment losses/reversals (+/-)	28,547	70,984
- net impairment losses/reversals on property, plant and equipment and intangible assets (+/-)	11,034	17,033
- net provisions for risks and charges and other costs/income (+/-)	1,480	1,472
- taxes and tax credits not settled (+/-)	2,985	(3,485)
- other adjustments (+/-)	214	244
2. Cash flows generated/used by financial assets	(133,562)	(576,211)
- financial assets held for trading	30,365	21,908
- financial assets designated at fair value	(12,249)	-
- other financial assets mandatorily measured at fair value	2,331	838
- financial assets measured at fair value through other comprehensive income	117,958	(305,981)
- financial assets measured at amortised cost	(377,558)	(155,818)
- other assets	105,591	(137,158)
3. Cash flows generated/used by financial liabilities	201,471	227,413
- financial liabilities measured at amortised cost	199,793	260,536
- financial liabilities held for trading	(459)	1,976
- other liabilities	2,134	(35,099)
Net cash flows generated/used by operating activities	85,830	(288,474)
B. INVESTING ACTIVITIES		
2. Cash flows used by	(18,753)	(9,527)
- purchases of investments in subsidiaries, associates, and joint ventures	(9,168)	-
- purchases of property, plant and equipment	(8,684)	(8,583)
- purchases of intangible assets	(901)	(945)
Net cash flows generated/used by investing activities	(18,753)	(9,527)
C. FUNDING		
- issues/purchases of own shares	55,515	19,773
- dividend distributions and other distributions	(6,887)	(6,000)
Net cash flows generated/used by funding activities	48,628	13,773
NET CASH FLOWS GENERATED/USED DURING THE PERIOD	115,705	(284,228)

KEY:

(+) generated

(-) used



Reconciliation

Balance sheet items	Amount	
	31/12/2025	31/12/2024
Cash and cash equivalents at the beginning of the period	362,592	646,819
Total net cash flows generated/used during the period	115,705	(284,228)
Cash and cash equivalents: effect of exchange rate changes	-	-
Cash and cash equivalents at the end of the period	478,297	362,592



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 2025.

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 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 consolidated income statement;
- 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 income statement 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 compliance with applicable regulations, the consolidated financial statements are prepared in thousands of euro, without decimal places; items that have a zero balance in both the current and the previous financial year are not presented. Any differences between the information provided in the notes and the consolidated financial statements are attributable to rounding.

The consolidated balance sheet and consolidated income statement 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 income statement 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, income statement 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;
- 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 consolidated notes to the financial statements are divided into the following sections: A-Accounting Policies, B-Information on the Consolidated Balance Sheet, C-Information on the Consolidated income statement, 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 regard, according to the ECB macroeconomic projections updated in December 2025⁹, the outlook for growth at international level has been revised slightly upwards compared with the previous projections but remains modest relative to the pre-pandemic average. According to estimates, the growth rate of global GDP in real terms would stand at 3.5% in 2025 and is expected to gradually decline to 3.3% in 2026, before remaining at this level in 2027 and 2028. The upward revision of the outlook for global growth largely reflects more favourable prospects for the United States and China. In addition to the reduction in tariffs, the slight upward adjustment for the United States is attributable to the stronger-than-expected resilience of domestic demand, which is believed to be supported in the short term by positive wealth effects resulting from recent trends in equity prices and by assumptions of overall higher levels of fiscal spending. For China, the projections for real GDP growth for this year and for 2026 have also been revised slightly upwards, reflecting export dynamics that are more robust

⁹ ECB staff macroeconomic projections for the Eurozone, December 2025.

than previously estimated and assumptions of greater fiscal stimulus. Headline inflation, as measured by the consumer price index (CPI), in the major advanced and emerging economies is expected to decline gradually, albeit at a slightly faster pace than projected in September. It would fall from 3.1% in 2025 to 2.8% in 2026 and 2.5% in 2027, before edging up slightly to 2.6% in 2028. This implies a slightly faster decline in CPI inflation than previously envisaged for the current year and the next, owing to lower-than-expected rates of price increases in most advanced economies. In addition, the downward revision reflects the reduction in bilateral tariffs between the United States and China as well as a smaller-than-expected impact of tariffs on inflation in the United States. Moreover, in China the weakening of domestic demand explains the more gradual-than-expected increase in consumer inflation over the projection horizon.

Growth in global imports is expected to remain resilient this year but would lose momentum next year. It would stand at 4.4% in 2025, largely reflecting the strong expansion of imports in the first half of the year; it would then fall to 2.0% in 2026 owing to the adverse impact of tariffs and should subsequently recover, standing at 3.1% in both 2027 and 2028. The outlook for global imports has been revised significantly upwards for the current year and the next compared with the September forecasting exercise, while the projections for 2027 remain unchanged. The upward revision of import growth reflects more positive-than-expected data for the second quarter of 2025, especially in emerging economies and, to a lesser extent, the lower tariffs agreed between the United States and China in early November. The unexpected data can be attributed to two main factors. First and foremost, import growth has exceeded expectations both in the countries of South-East Asia and in EU Member States outside the euro area. The simultaneous better-than-forecast export developments indicate that some of these countries, especially in South-East Asia, may benefit from the ongoing reconfiguration of international trade relations. This development was triggered by the increase in US tariffs and includes the redirection of Chinese exports towards these countries, together with robust trade in technology products linked to investment related to artificial intelligence. Second, imports in Egypt, India and Turkey were significantly higher than expected, although in these cases there does not appear to be a clear link between the strengthening of their imports and the redirection of China's exports.

The outlook for euro area foreign demand has been revised upwards compared with the previous projections. The growth of euro area foreign demand is expected to stand at 3.8% in 2025, before declining to 1.9% in 2026 in line with weakening world trade and subsequently recovering to 3.1% in 2027 and 3.0% in 2028. Similarly to global imports, the upward adjustment for this year reflects second-quarter data indicating that the contraction in the area's foreign demand was smaller than previously expected. Export prices of the euro area's competitors would increase at a slower pace than the historical average and have been revised downwards compared with the September forecasting exercise. Their rate of increase (year on year and in national currency) would be 1.1% in 2025, 1.6% in 2026 and 2.0% in both 2027 and 2028. These values are below the historical average of 2.6% recorded in the period 2000-2019, as China's 12-month inflation rate of export prices is expected to remain in negative territory until the third quarter of 2026. Compared with the previous projections, export prices of the euro area's competitors have been revised downwards over the entire horizon considered, reflecting more moderate developments in export price inflation in advanced economies, including the United States and several EU Member States outside the euro area and, to a lesser extent, in China.

In 2022, Cedacri established a working group with several banks of the consortium, including Igea Banca Group, to develop a model for the calculation of forward-looking probability of default (PD) using Cerved's satellite model (Cerved became part of ION Group following a takeover bid in 2021). Within this context, Cedacri provides Cerved with point-in-time matrices, and Cerved, using its model and macroeconomic scenarios, estimates forward-looking multi-scenario PDs used in the calculation of expected credit losses.

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. This choice was also confirmed for the 2025 financial year, in view of the continuation of the Russia - Ukraine conflict and the conflicts in the Middle East and the generally higher uncertainty in the current international geopolitical environment.

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 2025.

Determination of impairment losses on loans granted and recognised as 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. The estimate may be made, depending on the materiality threshold of the exposure being assessed, either on an individual basis, according to the recoverable cash flows, or on a collective basis, taking into account losses historically recorded on loans with similar characteristics.

With reference to the components of the loan portfolio backed by high-quality guarantees (i.e. cash collateral and State guarantees in the form of access to the Fondo PMI [SME Guarantee Fund] pursuant to Law No. 662/96), in line with the prudential treatment applied under supervisory provisions and in order to adequately reflect in expected credit losses (ECL) the risk mitigation provided by such forms of guarantee (which are not captured within the impairment calculation models supplied by IT outsourcing providers), the Bank implemented the appropriate adjustments and, in particular, already during the 2024 financial year introduced a specific management overlay to the ECL aimed at taking into account the credit risk associated with the portion of loans fully covered by State guarantees.

With regard to loans for which no individual objective evidence of impairment has been identified, in other words for performing exposures, the expected credit loss impairment model requires the implementation of appropriate monitoring systems to determine whether or not a significant deterioration has occurred since the initial recognition date 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 continuous updating, aimed at refining the estimates to better represent the estimated realisable value of the credit exposures.

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 2025.

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 2025, the Group's intangible assets with an indefinite life totalled €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".

Assessment of recoverability of deferred tax assets

Among its significant assets, the Group reports deferred tax assets (DTAs), primarily arising from tax losses carried forward that can be utilised to offset taxable income in future financial years, as well as from

temporary differences between the recognition in the financial statements of certain negative income components and the tax period in which they become deductible for tax purposes. The recognition of these assets and their subsequent maintenance in the financial statements presupposes an assessment as to the Group's ability to generate sufficient future taxable income to allow their recovery, under the tax laws in force at the date of preparation of the financial statements.

In assessing the recoverability of such assets, it should be noted that deferred tax assets meeting the requirements set out in Law No. 214 of 22 December 2011 (so-called qualifying or convertible DTAs) are intended to be converted into tax credits upon the occurrence of specific conditions. This feature ensures the recoverability of qualifying deferred tax assets (DTAs), irrespective of future profitability. The conditions that, even individually, may trigger the conversion of qualifying DTAs recognised 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 reference to deferred tax assets arising from IRES tax losses, the current legislation allows such losses to be carried forward without any time limitation. For these DTAs, as well as for those arising from temporary differences that are not convertible into tax credits, the assessment of recoverability is based on profit forecasts derived from the strategic and financial plans prepared by the management body.

The verification of the recoverability of deferred tax assets is an assessment that requires significant judgement. Such recoverability may also be affected by circumstances that cannot currently be foreseen, such as changes in tax legislation or developments in the macroeconomic and market environment requiring an update of the profit projections used as a basis for estimating future taxable income. For this reason, the recoverability of DTAs not convertible into tax credits is subject to continuous monitoring in light of changes in tax legislation and the trend in financial performance, which may in turn be influenced by economic and market conditions. 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.

Fair value measurement of tax credits acquired for resale to third parties

The Group has adopted a fair value measurement model for tax credits intended for resale to third parties, based on projected cash flows and consistent with the contractual arrangements entered into with counterparties.

Estimation of provisions for risks and charges

The Group companies are involved as defendants in certain types of legal proceedings 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. Investments in subsidiaries under exclusive control

The scope of consolidation is determined in compliance with the provisions of 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 income statement 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 income statement.

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). Equity attributable to non-controlling interests, 340. Profit (Loss) for the year attributable to minority Interests in the consolidated income statement 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 income statement 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 income statement. 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 purpose/objective of the transaction.

The complete extent of the subsidiaries forming part of the Group as at 31 December 2025 is shown below:



Company name	Registered office	Type of relationship (1)	Shareholding		Availability of votes ⁽²⁾
			Investor enterprise	% Holding	
Banca Italiana per l'Ambiente e per l'Energia S.p.A	Rome	1	Banca del Fucino	100%	100%
Fucino Finance S.p.A.	Rome	1	Banca del Fucino	100%	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) Voting rights at the ordinary shareholders' meeting, distinguishing between effective and potential rights

1.1 Equity investments in associates

An associate is an entity over which the investor has 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 existence of significant influence include the following:

- representation on the investee'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 income statement. 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.

Reserves arising from the valuation 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 2025 is shown below:

Company name	Registered Office	Shareholding		Availability of votes ⁽²⁾
		Investor enterprise	% Holding	
E-Way Finance	Rome	Banca del Fucino	34.00%	34.00%
E-Way Wind	Rome	Banca del Fucino	34.00%	34.00%
E-Way Solar	Rome	Banca del Fucino	30.97%	30.97%
HoldCo	Rome	Banca del Fucino	34.00%	34.00%
E- Way Baselice 2.0	Rome	Banca del Fucino	34.00%	34.00%
Società Edilizia Pineto S.p.A	Rome	Banca del Fucino	40.00%	40.00%
W.E.E. Water Environment Energy S.r.l.	Naples	Banca del Fucino	30.00%	30.00%

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 interests are measured using the equity method.

As at 31 December 2025, there were no jointly controlled companies in the Group.

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, regardless of the existence of an ownership interest, the Parent Company holds contractual rights (credit enhancement) which effectively give it the power to direct the relevant activities of the Special Purpose Entities (i.e. the securitised assets) and therefore to influence the returns of the transaction to which it is exposed.

2. Significant judgements and assumptions in determining the scope of consolidation

The scope of consolidation is determined in compliance with the provisions set out in International Financial Reporting 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 income statement 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 income statement.

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 income statement.

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 income statement.

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 income statement. 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 resulting difference is recognised in profit or loss.

3. Interests in wholly-owned subsidiaries with significant third-party 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.

There were no protective rights held by non-controlling interests capable of restricting the Group’s ability to access or transfer assets between Group companies or to 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 2025, 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

Communication of the funding plans for the two-year period 2026-2027

During February 2026, the Bank of Italy - Banking and Financial Supervision Department, Banking Supervision Service 2 - submitted a communication concerning the collection of funding plans for less significant banks for the 2026-2027 period (hereinafter the “Funding Plan 2026-2027”).

The Parent Company defined the funding plans for the two-year period 2026-2027 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.

Società Edilizia Pineto (SEP) - Shareholders’ Loan

On 1 December 2025, the Ordinary Shareholders’ Meeting of SEP submitted a request for financing in the amount of €430,000 to cover ordinary cash requirements for the 2026 financial year. On 27 February 2026, the Board of Directors of the Parent Company approved the granting of a shareholders’ loan of €172,000, disbursed in a first tranche of €120,000 on 3 March 2026.

Business Plan

Preparatory activities for drafting the Group’s new 2026-2028 Business Plan are currently under way. The new plan takes into account the need to develop different scenarios, also to address the guidance from the supervisory authorities and support the ICAAP-ILAAP and recovery plan processes.

In particular, the new plan will be structured with the following key points in mind:

- strategic-industrial assessment and the macroeconomic context;
- alternative strategies for safeguarding the value chain in line with the Group’s corporate purpose;
- identification of how to strengthen the safeguards of core segments or any exit strategy from specific markets considered non-core to the Group’s strategic design;
- definition of the Group’s target commercial positioning;
- identification of initiatives aimed at optimising operational efficiency, within a framework focused on increasing productivity levels and achieving cost reduction;
- analysis of capital requirements and actionable industrial drivers.

Green segment - Further developments

On 30 October 2025, the Framework Agreement for the Valma Transaction was signed between E-Way Finance and the companies Scisse HoldCo, E-Way Baselice 2.0, E-Way Wind and E-Way Solar. At the same time, and on the basis of the agreement in question, E-Way Finance, for the purpose of ensuring the proper fulfilment of the commitments already undertaken by the Shareholders pursuant to the 2025 Memorandum of Understanding

(MoU), entered into an agreement with the Demerged Companies under which the Demerged Companies acknowledged their obligation to transfer to E-Way Finance the shareholdings in the SPVs holding their respective projects (upon each project reaching the specific development stage of “ready to build”), in accordance with the provisions of the Co-Development Agreement, or alternatively to issue in favour of E-Way Finance participating financial instruments or other equivalent equity instruments.

These instruments carry no voting rights and/or administrative rights of any kind in the corporate bodies of the issuing companies but benefit from priority of repayment over ordinary shareholders in the distribution of any dividends, the approval of which in any case remains within the exclusive competence and discretion of the issuing company, including in the event of liquidation. The participating financial instruments (SFPs) were issued by the Scisse companies in February 2026 for a total amount of €14.7 million, broken down as follows:

- issue by E-Way Solar for an amount of €5.15 million;
- issue by E-Way Wind for an amount of €4.4 million;
- issue by HoldCo for an amount of €4.8 million;
- issue by E-Way Baselice 2.0 for an amount of €0.3 million.

Such issuance, aimed at providing E-Way Finance with the instruments necessary for the acquisition of the Valma shareholding completed in 2025, entails the waiver by E-Way Finance of the right to transfer the plants held by the Demerged Companies and, upon the transfer of the participating financial instruments (SFP) to Volt, the associated right to a share of future dividends is transferred to Volt in its capacity as holder of the SFP.

Based on the intentions expressed by the parties in the MoU signed in connection with the merger and demerger, they undertook, among other things, to terminate the Valma contract through the actions initially envisaged in the MoU itself, aimed at cancelling the transaction. The original intentions set out in the MoU were taken up as objectives underlying the Framework Agreement for the Valma Transaction mentioned above, to which E-Way Finance is a party and therefore reiterates the objectives of the MoU as its own. Under this arrangement, it is clear that the ultimate objective of E-Way Finance’s action is the termination of the Co-Development Agreement. The above-mentioned companies are currently carrying out legal analyses to define how the Co-Development Agreement will be closed.

Escalation of geopolitical conflicts

In light of recent geopolitical tensions and the deterioration of the international context linked to the escalation of the conflict in Iran - factors that could create uncertainty about the performance and valuation of the assets in the Group’s portfolio - management promptly launched dedicated monitoring to assess the possible impacts on the foreseeable evolution of the Group’s operations and the assets in its portfolio. It should be noted, however, that the Group’s business is predominantly domestic. Therefore, although the geopolitical environment is still evolving and characterised by limited clarity as to future developments and potential effects on the economies and societies of the international community, at present no significant impacts are expected.

BIAE - Launch of inspection activities

On 19 March 2026, by letter hand-delivered to the Deputy Acting Director General of BIAE, the inspection activities by the Financial Intelligence Unit of the Bank of Italy began pursuant to Article 6, paragraph 4, letter F) and paragraph 5, letter A) of Legislative Decree No. 231 of 21 November 2007.

The ordinary activities initiated as a result are being carried out with the full *commitment* of the relevant internal units within the dialogue with the inspection *team*.

BIAE - Strategic agreement for equity participation

With regard to the Investment Agreement signed in the second half of 2025 between Banca del Fucino, BIAE and the strategic partner identified for the participation in BIAE's share capital, the activities aimed at obtaining the Authorisations are currently under way and a longer period has been set for the fulfilment of the Conditions Precedent provided for by the Agreement, by 31 December 2026.

SECTION 5 - OTHER ASPECTS

Classification and assessment of loans to customers based on the general impairment model IFRS 9

In order to determine IFRS 9 value adjustments on the customer loan portfolio as at 31 December 2025, the Group adopted a conservative approach, confirming – in light of the persistence of international conflicts and geopolitical tensions – the decision to incorporate the “severe” macroeconomic scenario into its IFRS 9 impairment model, representing a more adverse outlook than the previously applied “adverse” scenario, while maintaining a fixed probability of occurrence of 20% within the model. To ensure greater consistency between the estimation of Loss Given Default (LGD) and the adoption of the “severe” macroeconomic scenario, the Group incorporated the effects of this more conservative scenario into recovery timelines and discounting assumptions, resulting in an increase in the LGD parameter calculated for the Retail, Corporate and Small Business customer segments by the Cedacri Econometric LGD system (so-called “Management Overlay”). Specifically, for the purposes of calculating the expected loss as of 31 December 2025, 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.

Goodwill impairment testing

As required by IAS 36 “Impairment of Assets”, the Group has tested goodwill for impairment when preparing these financial statements as at 31 December 2025, 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.

New accounting standards/interpretations or amendments to existing ones approved by the IASB/IFRIC

Below is an overview of 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, distinguishing between those applicable in the 2025 financial year and those applicable in subsequent years.

New accounting standards applicable from 1 January 2025

Regulation No. 2862/2024 of 12 November 2024, commented on below, applies from 1 January 2025, with no significant impact expected for the Group:

- Regulation No. 2862/2024 of 12 November 2024: Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability. Regulation No. 2862/2024 of 12 November 2024 introduces certain amendments to IAS 21 to clarify when a currency is exchangeable for another currency and, if it is not, how the company determines the exchange rate to be applied and the additional disclosures that must be provided. The amendments mainly concern the introduction of the definition of “exchangeability” and the inclusion of application guidance to help entities determine whether a currency can be converted into another currency (for example, by clarifying how to assess the time frame needed to obtain the currency). The amendments do not provide guidance on how to estimate exchange rates when the currency is not exchangeable. Instead, entities are required to provide specific disclosures that enable users to understand the methods adopted and the related impacts on the financial statements. As also noted by the IASB, the scenarios affected by the regulation are rare and, therefore, in the current context, the amendments are not expected to be significant for the Company.

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 income statement.

Accounting standards endorsed that will enter into force in future periods

As at 31 December 2025, the following had been endorsed by the European Commission:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (Regulation (EU) 2025/1047); applicable to financial statements from 1 January 2026;
- Amendments to IFRS 7 and IFRS 9 “Contracts Referencing Nature-dependent Electricity”, (Regulation (EU) No. 1266 of 30 June 2025); applicable to financial statements from 1 January 2026;
- Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 “Annual Improvements to IFRS Accounting Standards - Volume 11” (Regulation (EU) No. 1331 of 9 July 2025); applicable to financial statements for periods starting from 1 January 2026, with earlier application permitted.

Accounting standards not yet endorsed that will enter into force in future periods

Finally, as at 31 December 2025, 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 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024);
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024);
- amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7) (issued 30 May 2024);
- Amendments to IFRS 19 Subsidiaries without public accountability: disclosures (issued on 21 August 2025);
- Amendments to IAS 21 Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025);
- 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;
- IFRS 14 Regulatory deferral accounts - issued in January 2014 - Endorsement process suspended pending the new accounting standard on rate-regulated activities;

With the exception of IFRS 18, for which a dedicated analysis is provided below, the new standards and amendments should not have significant impacts on the amounts recognised in the balance sheet or income statement. IFRS 18 replaces IAS 1 and introduces three sets of requirements to improve communication of financial performance in the income statement:

1. presentation of new specific subtotals in the income statement;
2. disclosure of defined management performance measures (MPMs);
3. more stringent requirements for the grouping (aggregation and disaggregation) of information.

With regard to the presentation of the new defined subtotals, the standard requires the entity to:

1. classify income and expenses into income statement categories: operating, investing, financing, income taxes and discontinued operations;
2. present two new specific subtotals: operating profit and profit before financing and income taxes.

The operating category includes all income and expenses not classified in the investing, financing, income taxes or discontinued operations categories and therefore includes income and expenses arising from the entity's main activities. The investing category includes:

1. income and expenses from activities that generate returns separately from the entity's primary activities;
2. income and expenses from cash and cash equivalents and from investments in associates and joint ventures.

The financing category includes income and expenses relating to liabilities. The income taxes category includes tax expense (or income) recognised in the income statement in accordance with IAS 12 - Income Taxes. The discontinued operations category includes income and expenses from operations classified as such in accordance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations.

For banks, the standard provides that income and expenses that would otherwise be classified in the investing or financing categories (such as interest income and expense, fee and commission income and expense, credit impairment losses and trading gains) are included in operating profit. Consequently, banks would not present the subtotal "profit before financing and income taxes".

With reference to MPMs (Management-defined Performance Measures), the standard requires disclosure of subtotals of income and expenses, other than those indicated by IFRS 18 or those specifically required by other IFRS accounting standards, that a company uses in public communications outside the financial statements to communicate to investors management's view of financial performance. With reference to the requirements relating to the grouping of information, IFRS 18 provides guidance on how to group transactions and other events into line items in the primary financial statements and in the information reported in the notes to the financial statements. In this regard, the standard requires the presentation in the operating category of expenses by nature or function. The Group is assessing the impacts on presentation and disclosure arising from IFRS 18 and will update its financial statement layouts and the related notes to the financial statements consistently with the update of Bank of Italy Circular 262.

Final Agenda Decisions

Below are the final agenda decisions published by the IFRS Interpretation Committee (IFRS IC) as at 31 December 2025:

- IAS 7 - Classification of Cash Flows related to Variation Margin Calls on “Collateralised-to-Market” Contracts - 3 February 2025;
- IFRS 15 - Recognition of Revenues from Tuition Fees - 11 April 2025;
- IAS 38 - Recognition of Intangible Assets from Climate-related Expenditure - 11 April 2025;
- IFRS 9, IFRS 17, IFRS 15 and IAS 37 - Guarantees Issued on Obligations of Other Entities - 11 April 2025;
- IAS 29 - Financial Reporting in Hyperinflationary Economies - Assessing Indicators of Hyperinflationary Economies - 28 July 2025.

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 2025 were subject to statutory audit by PricewaterhouseCoopers S.p.A., pursuant to the statutory audit engagement granted by the Shareholders’ Meeting of the Parent Company for the nine-year period 2024-2032.

Assignment of Tax Credit “Tax Bonus” - 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 income statement “10. Interest income and related 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 corporate functions to complete acquisitions of tax credits up to the limit permitted for internal offsetting purposes and beyond, solely within the limit made available in advance by entitled third party assignors.

To broaden the range of services offered to current and potential customers and to seize the business opportunities available in the market, the Boards of Directors of the Group’s Banks resolved to commence operations in the segment of the assignment to the Bank of tax credits arising from the so-called 110% Superbonus and other minor tax incentives¹⁰. To this end, the Group has adopted a specific internal policy governing both the acquisition of tax credits for internal offsetting purposes and the acquisition of tax credits intended for assignment to third party assignees up to the limits imposed by the latter.

For certain types of tax credits exceeding the ceiling for offsetting, the Parent Company applies 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

¹⁰ For BIAE, activities carried out up to 29 September 2022

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.

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;

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 business model adopted at Group level for credits acquired with the intention of holding to maturity, as already noted, is Hold to Collect (HTC), for offsetting with tax liabilities over a five to ten year period; this approach is always maintained if the assignee Bank's acquisitions remain within the limits of the ceiling;
- 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 Tax Credits held by the Parent Company within the Other/Trading business model, the objective of acquiring such credits is the onward sale to third-party counterparties, and therefore the 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 an analysis of the contractual clauses present in each agreement, the Bank recognises the derivative, as appropriate, as a trading financial asset or liability at FVTPL.

Regulatory updates pursuant to Decree-Law No. 39 of 29 March 2024 on tax credits.

Decree-Law No. 39 of 29 March 2024 introduced amendments to the regulatory framework regarding transactions involving tax credits, with specific regard to tax incentives and the related treatment of the 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 offsetting purposes resulting from tax credits previously held within the original trading business model and now to be allocated for offsetting, having been originally acquired below the 75% threshold.

With regard to the accounting aspects relating to the amendments and updates introduced by the aforementioned Decree, the Parent Company carried out analyses in 2024 to identify the appropriate accounting treatment for receivables acquired at a purchase price below 75%, originally recognised under the Other/Trading business model. This resulted in the derecognition of such receivables measured at fair value and their initial recognition at amortised cost, in accordance with the requirements of IFRS.

The inability to transfer to third-party assignees receivables acquired at less than 75% of their nominal value constituted a change in the applicable regulatory framework, generating two particularly significant 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.

Based on the provisions of the Decree, as things currently stand and according to the current estimates regarding offsetting capacity, the Group, and in particular the Parent Company, has an amount eligible for offsetting - from 2025, when the Decree enters into force, until 2033 - that exceeds the value of the credits held for offsetting purposes (including both the credits originally acquired for this purpose and those acquired below the 75% threshold and consequently no longer assignable).

Reserve related to the windfall tax

Law No 199 of 30 December 2025 (“2026 Budget Law”) amended - with paragraph 68 of Article 1 - Article 26 of Decree Law No 104 of 10 August 2023, converted, with amendments, by Law No 136 of 9 October 2023. Specifically, the new regime provides that, starting from the financial year beginning after 1 January 2028, in the event of the distribution of profits, including interim dividends, or reserves, irrespective of the shareholders’ resolution, the reserve referred to in paragraph 5-bis shall be deemed to be distributed on a priority basis, namely the reserve established, upon approval of the financial statements for the 2023 financial year, by exercising the option provided for by the legislation as a means of fulfilling the obligation provided, as an alternative to the payment of the extraordinary tax introduced at that time on banks (the so-called “2023 Reserve”).

Paragraph 69 of Article 1 of the 2026 Budget Law instead introduced the provision that, until the financial year current at 31 December 2028, the “2023 Reserve” may be subject to an extraordinary contribution to be applied to the said reserve irrespective of “the nature of the items that contributed to its formation and the related methods of allocation” thereof. Subsequent paragraph 70 provides that the extraordinary contribution shall be determined at 27.5 per cent of the reserve existing at the end of the financial year in progress as at 31 December 2025, or at 33 per cent of the reserve existing at the end of the following financial year; paragraph 72 further provides that, in the event of payment of the contribution, the provisions set out in Article 26, paragraph 5-bis, final sentence, of Decree-Law No. 104 of 10 August 2023 regarding the restriction on the distributability of the reserve shall no longer apply.

Based on the wording of the provision, it therefore appears clear that the legislature intends to provide for the taxation of an equity item regardless of its origin, thereby creating a clear break with the extraordinary tax introduced in 2023 which was, moreover, settled definitively through fulfilment of the obligation to act described above.

Please note that the reserve in question recognised in the consolidated financial statements at 31 December 2025 amounts to a total of €9,515,665 for the two Banks in the Group.

From a strictly accounting perspective, in light of the assessments and analyses carried out at banking system level, and taking into account the specific features of the legislation in question, it was considered that the corresponding entry to the liability relating to the extraordinary contribution should be recognised within equity and that the liability relating to such extraordinary contribution should be recognised in the financial statements for the year ended 31 December 2025.

In particular, since payment of the extraordinary contribution represents an option that each bank may decide independently, the provisions of IFRIC 21 were deemed not applicable and, likewise, as it is not an income tax under the categories set out in IAS 12, that standard was also deemed not applicable.

In the absence of accounting standards directly applicable under IAS/IFRS, reference was therefore made to the provisions of IAS 8 in order to determine the accounting treatment to be applied in the specific case, by identifying, within IAS/IFRS standards governing similar transactions, an approach to be applied by analogy.

In particular, in light of the characteristics of the regulatory mechanism described above, provisions applicable by analogy were identified in IAS 12, and specifically in paragraph 61A, which requires taxation to be recognised consistently with the recognition criterion applied to the underlying item from which the tax arises. In this case, since the extraordinary contribution relates to an equity item, the corresponding entry for recognising the liability was consequently identified within shareholders' equity.

With regard to the period of recognition of the contribution, it should be noted that the 2026 Budget Law was approved on 30 December 2025 and, accordingly, was considered to be "substantially enacted" as at the reporting date for the 2025 financial year.

Accordingly, the liability arising from the extraordinary contribution was considered to have already existed in 2025 and, consequently, was recognised in the present consolidated financial statements in the amount of €2,616,807, in light of the decision taken by the management bodies of the Group's Banks (on 10 February 2026) to proceed with payment of the contribution in 2026 at a rate of 27.5% of the 2023 Reserve.

The amount in question was recognised under the item "Other Liabilities", with a corresponding entry to "Retained Earnings", leaving to the shareholders' resolution approving the separate financial statements of the Group's Banks as at 31 December 2025 the identification of the equity reserve to be utilised to meet payment of the extraordinary contribution.

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 income statement item “190. Administrative expenses: b) Other administrative expenses are recognised in accordance with the interpretation IFRIC 21 “Levies”, under which the liability for the payment of a levy arises at the moment when the so-called “obligating event” occurs, that is, when the obligation to pay the annual charge arises.

In the present case, from an accounting standpoint, the contributions are considered to be similar to a lease 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”.

Crypto-asset exposure

As at 31 December 2025, and as at 31 December 2024, the Group did not hold any exposure to crypto-assets.

PART A.2 - PART RELATING TO THE MAIN FINANCIAL STATEMENTS ITEMS

1. *Financial assets measured 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 measured 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 are classified in this category when they are not included among financial assets measured at fair value through other comprehensive income or among financial assets measured at amortised cost. This item 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 provide solely for repayments of principal and payments of interest on the principal amount outstanding (i.e. the “SPPI test” is not met) or which are not held within a business model whose objective is to hold assets in order to collect contractual cash flows (business model “Hold to Collect”), or whose objective is achieved both by collecting contractual cash flows and by selling financial assets (business model “Hold to Collect and Sell”);
- 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 UCITs.

Valuation criteria

Subsequent to initial recognition, financial assets measured at fair value through profit or loss are measured at fair value. The effects of applying this valuation criterion are charged to the income statement.

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 relating to the trading portfolio, including derivatives associated with financial assets and liabilities designated at fair value, are recognised in the income statement 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 gain/(loss) on other financial assets and liabilities measured at fair value through profit or loss".

Reclassification criteria

Financial assets measured 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. the “SPPI test” is satisfied).

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 income statement, 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 income statement.

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 income statement, even in the event of disposal. The only component attributable to the equity securities in question that is recognised in the income statement is the related dividends.

Fair value is determined on the basis of the criteria already illustrated for Financial assets measured 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 income statement 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 income statement 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 income statement under item “130. Net adjustments/write-backs for credit risk”, with a counter-entry in the specific shareholders’ 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 income statement 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 income statement is envisaged for these assets, as they are not subject to any impairment process. In fact, the only component recognised in the income statement is dividends received.

For the methods used to determine fair value, please refer to the criteria already illustrated for “Financial assets measured 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 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 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 measured 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 such alignment does not occur, upon execution of the contract a commitment to disburse funds is recognised, which is extinguished 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. the “SPPI test” is satisfied).

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

Subsequent to initial recognition, the financial assets in question are measured at amortised cost using the effective interest method. Under this approach, the asset is recognised in the financial statements at an

amount equal to its initial recognition value, less principal repayments, plus or minus cumulative amortisation (calculated using the effective interest rate method) of the difference between the initial amount and the amount due at maturity (typically attributable to costs or income directly associated with the individual asset), and adjusted for any allowance for expected credit 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 income statement:

- 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 income statement, 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 income statement. 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 income statement 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 income statement 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 income statement.

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 statement 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.

Value adjustments and reversals of impairment are recognised at each reporting date in the consolidated income statement under item 130. Net impairment losses/reversals for credit risk. Gains and losses from the sale of receivables are recognised in the consolidated income statement 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 income statement.

Gains or losses relating to securities are recognised in the consolidated income statement under item 100. Gains/losses on disposal or repurchase at the time the assets are sold.

Any impairment losses on securities are recognised in the consolidated income statement under item 130. Net impairment losses/reversals for credit risk. Subsequently, if the reasons for the impairment loss are removed, write-backs of impairment losses are recognised in the income statement 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 measured at Fair Value through Other Comprehensive Income or Financial assets measured 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 income statement in the case of reclassification to Financial assets measured 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” of balance sheet liabilities.

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 income statement.

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 income statement 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 income statement 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 income statement 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 income statement.

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 income statement 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 income statement 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 income statement 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 income statement, 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 income/expenses", 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 income statement 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 income statement.

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 lease term is determined taking account of:

- 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 income statement; 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 income statement.

Criteria for recognising income components

The amortisation of intangible assets is charged to the income statement under the item “net impairment losses/reversals 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 income statement.

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 income statement.

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 income statement 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 income statement under item 320. Profit (loss) from discontinued operations, net of tax. Income and expenses related to individual non-current assets held for sale are recognised in the most appropriate item of the income statement.

9. Current and deferred taxation

Current taxation

Tax assets and liabilities for current taxes are recognised at the amount expected to be paid or recovered, determined on the basis of taxable income for the year by applying the tax rates and legislation in force at the financial statements reporting date.

Current taxes not yet paid, in whole or in part, are recognised under Current tax liabilities in the balance sheet. Any excess payments, which give rise to a receivable from the Tax Authorities, are recognised under Current tax assets in the balance sheet.

In accordance with IAS 12, current tax assets and liabilities are offset only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred taxation

Deferred tax assets and liabilities are recognised using the so-called balance sheet liability method, taking into account temporary differences between the carrying amount of an asset or liability and its value recognised for tax purposes.

Deferred taxes are determined by applying the tax rates expected to be in force in the year in which the temporary differences will reverse, on the basis of the tax legislation in force.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which they can be utilised.

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.

Temporary differences are distinguished into:

- deductible temporary differences, which give rise to deferred tax assets;
- taxable temporary differences, which give rise to deferred tax liabilities.

Deferred tax assets

Deductible temporary differences lead to a future reduction in taxable income and give rise to deferred tax assets, as they will result in a lower tax burden in the years in which they reverse.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable income will be realised against which those differences can be utilised.

With reference to so-called qualifying deferred tax assets, relating to goodwill, other intangible assets and loan loss adjustments, the recoverability condition is deemed to be satisfied by virtue of statutory provisions that provide for their conversion into tax credits in the event of a statutory accounting loss and/or a negative IRES or IRAP taxable base.

Conversion into a tax credit has effects:

- in the event of a statutory loss, from the date of approval by the shareholders' meeting of the individual financial statements in which the loss was recognised;

- in the event of a negative IRES or IRAP taxable base, from the date of submission of the return in which it is determined.

Deductible temporary differences mainly arise from negative income components whose tax deductibility is deferred to later years compared with the year in which they are recognised in the income statement.

Deferred tax liabilities

Taxable temporary differences lead to a future increase in taxable income and give rise to deferred tax liabilities, as they will result in higher taxes in the years in which those differences reverse.

Deferred tax liabilities are recognised for all taxable temporary differences with the exception of reserves in suspense for tax purposes, where no transactions are expected to be carried out that would result in their taxation.

Taxable temporary differences mainly arise from:

- positive income components taxable in financial years subsequent to those in which they are recognised for statutory purposes;
- negative income components deducted in earlier financial years compared with the year in which they are recognised in the income statement.

Measurement and presentation in the financial statements

Deferred tax assets and liabilities are periodically reviewed in order to reflect any changes in tax legislation or the applicable tax rates.

They are recognised separately, without offsetting, under balance sheet items 110. Tax assets, sub-item “b) deferred tax assets” and 60. Tax liabilities, sub-item “b) deferred tax liabilities”.

Where deferred tax assets and liabilities relate to items recognised in the income statement, the balancing item is represented by income taxes. In cases where they relate to transactions recognised directly in shareholders’ equity (such as, for example, measurements of financial instruments at fair value with an impact on other comprehensive income) the corresponding balancing item is also recognised in shareholders’ equity, affecting the specific reserve where required.

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 Income statement.

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 Income statement. 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 income statement 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 income statement.

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 income statement.

Gains and losses arising from changes in fair value and/or from the disposal of trading instruments are recognised in the income statement.

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 measured 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 income statement 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 income statement 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

Accrued income and expenses and prepaid income and expenses relating to costs and revenues attributable to the financial year and accrued on assets and liabilities are recognised 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) Description 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 income statement.

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 income statement according to the timing of performance of the obligation. In detail, revenues may be recognised in the income statement:

- 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 income statement 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 income statement.

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 income statement only when actually collected;
- dividends are recognised in the income statement 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 income statement 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, unlikely to pay 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.

The factors determining the “staging” of individual exposures under the new model implemented by CRIF for the subsidiary Fucino Finance, specifically relating to the salary-backed loan product (Cessione del Quinto), are as follows: (i) an increase in the probability of default uniquely assigned to the individual exposure equal to or greater than 300% of the 12-month PD compared with the date of origination; (ii) the presence of past-due amounts exceeding 30 days; and (iii) the existence of an active insurance claim with the insurance company.

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 income statement 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.

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 income statement 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 unlikely to pay, 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 income statement (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 income statement 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 income statement 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 settlement, after the reporting date, of a legal case confirming that the entity had an existing obligation at the reporting date. In this case, the entity must adjust the provisions previously recognised (IAS 10 para. 9(a));
- knowledge, 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 para. 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, unlikely to pay, 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 relate to embedded derivatives included in sale and purchase commitments on certain types of tax credit assignment agreements entered into by the Parent Company since 2023. These commitments have been measured using an internal fair value measurement model and are therefore classified at Level 3. The Parent Company has used a leading consulting firm for the analysis of these agreements and the development of the fair value measurement 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	31/12/2025			31/12/2024		
	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss	15,341	2,629	30,281	2,034	3,667	32,186
a) financial assets held for trading	2,742	-	84	2,034	-	1,111
b) financial assets designated at fair value	12,599	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	-	2,629	30,197	-	3,667	31,075
2. Financial assets measured at fair value through other comprehensive income	508,860	-	26,591	628,413	-	17,318
3. Hedging derivatives	-	87	-	-	26	-
4. Property, plant and equipment	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	524,200	2,716	56,872	630,446	3,693	49,504
1. Financial liabilities held for trading	34	220	2,981	185	179	3,330
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	36	-	-	83	-
Total	34	256	2,981	185	262	3,330

Key:

L1=Level 1

L2=Level 2

L3=Level 3

As at 31 December 2025, 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 €2.7 million;

- Level 3 (L3): Within Level 3 of the portfolio “Financial assets measured at fair value through other comprehensive income”, other residual unquoted financial assets are included for which Level 2 fair value information is not available. Level L3 of the portfolio “Financial assets mandatorily measured at fair value” includes mainly units of UCITs, 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 €53 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 €2.9 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 €206 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 measured 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	32,186	1,111	-	31,075	17,318	-	-	-
2. Increases	1,839	53	-	1,787	17,672	-	-	-
2.1. Purchases	1,373	-	-	1,373	17,500	-	-	-
2.2. Profits recognised in:	467	53	-	414	172	-	-	-
2.2.1. Income Statement	467	53	-	414	172	-	-	-
- of which gains	467	53	-	414	172	-	-	-
2.2.2. Equity	-	X	X	X	-	-	-	-
2.3. Transfers from other levels	-	-	-	-	-	-	-	-
2.4. Other increases	-	-	-	-	-	-	-	-
3. Decreases	3,745	1,079	-	2,666	8,399	-	-	-
3.1. Sales	-	-	-	-	7,719	-	-	-
3.2. Redemptions	2,666	-	-	2,666	-	-	-	-
3.3. Losses recognised in:	575	575	-	-	680	-	-	-
3.3.1. Income Statement	575	575	-	-	458	-	-	-
- of which losses	27	27	-	-	-	-	-	-
3.3.2. Equity	-	X	X	X	222	-	-	-
3.4. Transfers from other levels	-	-	-	-	-	-	-	-
3.5. Other decreases	505	505	-	-	-	-	-	-
4. Closing balances	30,281	84	-	30,197	26,591	-	-	-

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	3,330	-	-
2. Increases	1,854	-	-
2.1 Issuances	-	-	-
2.2. Losses recognised in:	1,854	-	-
2.2.1. Income Statement	1,854	-	-
- of which losses	1,854	-	-
2.2.2. Equity	X	-	-
2.3. Transfers from other levels	-	-	-
2.4. Other increases	-	-	-
3. Decreases	2,203	-	-
3.1. Redemptions	-	-	-
3.2. Repurchases	-	-	-
3.3. Profits recognised in:	2,203	-	-
3.3.1. Income Statement	2,203	-	-
- of which gains	-	-	-
3.3.2. Equity	X	-	-
3.4. Transfers to other levels	-	-	-
3.5. Other decreases	-	-	-
4. Closing balances	2,981	-	-

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	31/12/2025				31/12/2024			
	Carrying amount	L1	L2	L3	Carrying amount	L1	L2	L3
1. Financial assets measured at amortised cost	3,685,409	629,042	-	3,172,915	3,327,890	490,913	-	2,803,453
2. Investment property	228	-	-	228	240	-	-	240
3. Non-current assets and disposal groups classified as held for sale	-	-	-	-	14,500	-	-	-
Total	3,685,637	629,042	-	3,173,143	3,342,630	490,913	-	2,803,693
1. Financial liabilities measured at amortised cost	5,035,354	107,737	-	4,928,622	4,835,561	24,705	-	4,812,058
2. Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-
Total	5,035,354	107,737	-	4,928,622	4,835,561	24,705	-	4,812,058

Key:

CA=Carrying amount

L1=Level 1

L2=Level 2

L3=Level 3



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 31/12/2025	Total 31/12/2024
a) Cash	24,137	25,360
b) Current accounts and on-demand deposits with Central Banks	349,228	279,062
c) Current accounts and on-demand deposits with banks	104,932	58,170
Total	478,297	362,592

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 MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS - ITEM 20

2.1 Financial assets held for trading: breakdown by instrument type

Items/Values	Total 31/12/2025			Total 31/12/2024		
	L1	L2	L3	L1	L2	L3
A. Cash assets						
1. Debt securities	-	-	-	-	-	359
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	-	359
2. Equity securities	2,742	-	31	2,034	-	561
3. U.C.I.T.S. units	-	-	-	-	-	-
4. Financing	-	-	-	-	-	-
4.1 Repos	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total (A)	2,742	-	31	2,034	-	920
B. Derivative instruments						
1. Financial derivatives	-	-	53	-	-	191
1.1 trading	-	-	53	-	-	191
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)	-	-	53	-	-	191
Total (A+B)	2,742	-	84	2,034	-	1,111

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 31/12/2025	Total 31/12/2024
A. Cash assets		
1. Debt securities	-	359
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	-	358
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
2. Equity securities	2,773	2,595
a) Banks	-	1,361
b) Other financial companies	-	-
of which: insurance companies	-	-
c) Non-financial companies	2,773	1,233
d) Other issuers	-	-
3. U.C.I.T.S. 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)	2,773	2,953
B. Derivative instruments		
a) Central Counterparties	-	-
b) Other	53	191
Total (B)	53	191
Total (A+B)	2,826	3,144

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

Items/Values	Total 31/12/2025			Total 31/12/2024		
	L1	L2	L3	L1	L2	L3
1. Debt securities	12,599	-	-	-	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	12,599	-	-	-	-	-
2. Financing	-	-	-	-	-	-
2.1 Structured	-	-	-	-	-	-
2.2 Other	-	-	-	-	-	-
Total	12,599	-	-	-	-	-

2.4 Financial assets designated at fair value: breakdown by debtor/issuer

Items/Values	Total 31/12/2025	Total 31/12/2024
1. Debt securities	12,599	-
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	12,599	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
2. Financing	-	-
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total	12,599	-

2.5 Other financial assets mandatorily measured at fair value: breakdown by instrument type

Items/Values	Total 31/12/2025			Total 31/12/2024		
	L1	L2	L3	L1	L2	L3
1. Debt securities	-	-	-	-	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	-	-
2. Equity securities	-	-	-	-	-	-
3. U.C.I.T.S. units	-	-	30,197	-	-	31,075
4. Financing	-	2,629	-	-	3,667	-
4.1 Repos	-	-	-	-	-	-
4.2 Other	-	2,629	-	-	3,667	-
Total	-	2,629	30,197	-	3,667	31,075

Key:

L1=Level 1

L2=Level 2

L3=Level 3

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, reference is made to the relevant portion of the Net Asset Value (NAV), to which an appropriate adjustment (so-called fair value adjustment) is applied, taking into account specific risk factors attributable to the units of collective investment undertakings (CIUs) held, such as credit risk, liquidity risk and market risk, also in consideration of the provisions set out in the joint communication of the Bank of Italy, Consob and IVASS No. 8 of 2019 concerning transactions involving the sale of non-performing loan portfolios for which consideration is provided in the form of units issued by an investment fund.

2.6 Other financial assets mandatorily measured at fair value: breakdown by debtor/issuer

	Total 31/12/2025	Total 31/12/2024
1. Equity securities	-	-
of which: banks	-	-
of which: other financial companies	-	-
of which: non-financial companies	-	-
2. Debt securities	-	-
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
3. U.C.I.T.S. units	30,197	31,075
4. Financing	2,629	3,667
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	-	-
d) Other financial companies	2,629	3,667
of which: insurance companies	2,629	3,667
e) Non-financial companies	-	-
f) Households	-	-
Total	32,826	34,742

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 31/12/2025			Total 31/12/2024		
	L1	L2	L3	L1	L2	L3
1. Debt securities	504,792	-	-	618,992	-	8,156
1.1 Structured securities	5,271	-	-	3,271	-	-
1.2 Other debt securities	499,521	-	-	615,720	-	8,156
2. Equity securities	4,067	-	26,591	9,421	-	9,163
3. Financing	-	-	-	-	-	-
Total	508,860	-	26,591	628,413	-	17,318

The exposure in debt securities amounted to a total of €504,792 million and was mainly represented by bonds issued by public administrations amounting to €493,952 million.

3.2 Financial assets measured at fair value through other comprehensive income: breakdown by debtor/issuer

Items/Values	Total 31/12/2025	Total 31/12/2024
1. Debt securities	504,792	627,147
a) Central Banks	-	-
b) Public administrations	493,951	598,422
c) Banks	-	17,045
d) Other financial companies	2,531	555
of which: insurance companies	-	-
e) Non-financial companies	8,310	11,126
2. Equity securities	30,658	18,584
a) Banks	13,684	7,616
b) Other issuers:	16,974	10,967
- other financial companies	-	-
of which: insurance companies	-	-
- non-financial companies	16,974	10,967
- 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	535,450	645,731

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	504,885	503,865	-	-	-	93	-	-	-	-
Financing	-	-	-	-	-	-	-	-	-	-
Total 31/12/2025	504,885	503,865	-	-	-	93	-	-	-	-
Total 31/12/2024	627,375	627,375	-	-	-	228	-	-	-	-

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 31/12/2025						Total 31/12/2024					
	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	51,639	-	-	-	-	51,639	37,649	-	-	-	-	37,649
1. Term deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Statutory reserve	51,639	-	-	X	X	X	37,649	-	-	X	X	X
3. Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
4. Others	-	-	-	X	X	X	-	-	-	X	X	X
B. Receivables due from banks	49,002	-	-	-	-	49,002	58,080	-	-	-	-	58,081
1. Financing	49,002	-	-	-	-	49,002	58,080	-	-	-	-	58,081
1.1 Current accounts	17,698	-	-	X	X	X	21,540	-	-	X	X	X
1.2. Term deposits	31,202	-	-	X	X	X	36,539	-	-	X	X	X
1.3. Other lending:	102	-	-	X	X	X	-	-	-	X	X	X
- Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
- Lease financing	-	-	-	X	X	X	-	-	-	X	X	X
- Others	102	-	-	X	X	X	-	-	-	X	X	X
2. Debt securities	0	-	-	-	-	0	-	-	-	-	-	-
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	0	-	-	-	-	0	-	-	-	-	-	-
Total	100,642	-	-	-	-	100,642	95,729	-	-	-	-	58,365

Key:
L1=Level 1
L2=Level 2
L3=Level 3

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 31/12/2025						Total 31/12/2024					
	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	2,688,660	126,807	2,166	-	-	2,914,823	2,455,957	108,638	22,964	-	-	2,587,559
1. Current accounts	391,247	27,440	509	X	X	X	310,254	19,618	3,433	X	X	X
2. Reverse repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
3. Mortgages	1,663,002	88,298	1,593	X	X	X	1,627,484	80,713	19,494	X	X	X
4. Credit cards, personal loans and salary-backed loans	353,814	69	-	X	X	X	246,955	64	37	X	X	X
5. Lease financing	-	-	-	X	X	X	-	-	-	X	X	X
6. Factoring	68,729	2,796	-	X	X	X	71,158	6,132	-	X	X	X
7. Other lending	211,867	8,204	64	X	X	X	200,106	2,112	-	X	X	X
2. Debt securities	736,086	31,049	-	629,042	-	157,450	644,602	-	-	490,913	-	157,529
1. Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2. Other debt securities	736,086	31,049	-	629,042	-	157,450	644,602	-	-	490,913	-	157,529
Total	3,424,745	157,856	2,166	629,042	-	3,072,273	3,100,559	108,638	22,964	490,913	-	2,745,088

Key:
L1=Level 1
L2=Level 2
L3=Level 3

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 €139 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 31/12/2025			Total 31/12/2024		
	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	736,086	31,049	-	644,602	-	-
a) Public administrations	620,140	-	-	492,988	-	-
b) Other financial companies	112,735	25,941	-	144,962	-	-
of which: insurance companies	-	-	-	-	-	-
c) Non-financial companies	3,211	5,108	-	6,652	-	-
2. Loans to:	2,688,660	126,807	2,166	2,455,957	108,638	22,964
a) Public administrations	16,796	605	-	13,613	551	-
b) Other financial companies	52,353	1	-	52,465	93	-
of which: insurance companies	261	-	-	-	-	-
c) Non-financial companies	1,910,947	114,994	1,132	1,800,277	98,071	18,670
d) Households	708,564	11,208	1,034	589,602	9,924	4,294
Total	3,424,745	157,856	2,166	3,100,559	108,638	22,964

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	667,421	670,426	71,269	40,224	-	127	2,477	9,175	-	-
Financing	2,470,343	72,085	347,125	176,769	3,183	15,606	12,561	49,962	1,017	-
Total 31/12/2025	3,137,765	742,511	418,394	216,993	3,183	15,734	15,038	59,137	1,017	-
Total 31/12/2024	2,920,051	695,022	304,780	173,825	41,767	13,515	15,027	65,187	18,803	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 €1,211,507 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	1,127,884	-	9,292	95,452	-	288	228	20,605	-
Total 31/12/2025	1,127,884	-	9,292	95,452	-	288	228	20,605	-
Total 31/12/2024	1,012,509	-	116,071	88,366	-	3,517	3,032	16,477	-

Section 5 - HEDGING DERIVATIVES - ITEM 50

5.1 Hedging derivatives: breakdown by hedge type and level

	Fair Value 31/12/2025			NV 31/12/2025	Fair Value 31/12/2024			NV 31/12/2024
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives		87		2,514	-	26	-	3,039
1) Fair value	-	87	-	2,514	-	26	-	3,039
2) Cash Flows	-	-	-	-	-	-	-	-
3) Foreign Investments	-	-	-	-	-	-	-	-
B. Credit derivatives								
1) Fair value	-	-	-	-	-	-	-	-
2) Cash Flows	-	-	-	-	-	-	-	-
Total	-	87	-	2,514	-	26	-	3,039

Key:

NV = notional value

L1=Level 1

L2=Level 2

L3=Level 3

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	-	87	X	X	X	-	X	X
3. Portfolios	X	X	X	X	X	X	-	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	-	-	-	87	-	-	-	-	-	-
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolios	X	X	X	X	X	X	-	X	-	X
Total liabilities	-	-	-	-	-	-	-	-	-	-
1. Expected 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					
BIAE 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
W.E.E. Water Environment Energy S.r.l.	Naples	Naples		30.00	30.00
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		30.97	30.97
HoldCo S.p.A.	Rome	Rome		34.00	34.00
E-Way Baselice 2.0 S.p.A.	Rome	Rome		34.00	34.00

7.2 Significant investments: carrying amount, fair value and dividends received

Company names	Carrying amount	Fair Value	Dividends received
A. Jointly controlled entities			
-	-	-	-
A. Companies subject to significant influence			
W.E.E. Water Environment Energy S.r.l.	4,330	-	-
E-Way Finance S.p.A.	11,100	-	-
E-Way Wind S.p.A.	23,302	-	-
E-Way Solar S.p.A.	20,968	-	-
HoldCo S.p.A.	18,556	-	-
E-Way Baselice 2.0 S.p.A.	1,922	-	-

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									
BIAE S.p.A.	-	164,608	146,910	3,494	(5,385)	-	(5,329)	(3)	(5,332)
Fucino Finance S.p.A.	-	350,012	326,959	4,475	511	-	406	-	406
C. Companies subject to significant influence									
E-Way Finance S.p.A.	11,100	50,632	31,039	5,334	(157)	-	(157)	-	(157)
E-Way Wind S.p.A.	23,302	16,504	4,472	-	(293)	-	(293)	-	(293)
E-Way Solar S.p.A.	20,968	36,496	11,433	943	82	-	39	-	39
HoldCo S.p.A.	18,556	10,995	5,591	-	(326)	-	(326)	-	(326)
E-Way Baselice 2.0 S.p.A.	1,922	2,186	214	-	(68)	-	(68)	-	(68)
W.E.E. Water Environment Energy S.r.l.	4,330	6,698	2,652	5,701	2,052	-	1,260	-	1,260

The figures in the table refer to 2025.

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	42,256	27,903	253	(146)	-	(146)	-	(146)

The figures in the table refer to 2025.

7.5 Equity investments: annual changes

	Total 31/12/2025	Total 31/12/2024
Opening balance	78,648	45,741
B. Increases	9,168	92,495
B.1 Purchases	9,108	
- of which business combinations		
B.2 Write-backs		
B.3 Revaluations		
B.4 Other changes	60	92,495
C. Decreases	(1,956)	(59,588)
C.1 Sales		
- of which business combinations		
C.2 Value adjustments		(15,696)
C.3 Write-downs	(1,956)	(3,902)
C.4 Other changes		(39,990)
D. Closing balance	85,859	78,648
E. Total revaluations	1,679	1,679
F. Total adjustments	24,547	22,591

The changes as at 31 December 2025 mainly relate to:

- The purchase of the investment in W.E.E. for €4 million;
- The capital increase subscribed in E-Way Finance for €5.2 million,
- Adjustments arising from measurement using the equity method amounting to €1.9 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

The recoverable amount of each investment was estimated with the support of an independent expert through a valuation process (so-called impairment test) based on financial methodologies. The aforementioned impairment test did not indicate the need to recognise any impairment adjustments to the carrying amount of investments in associates.

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 €85,996 million as at 31 December 2025. Tangible assets recognised in the financial statements are free from restrictions and commitments to secure liabilities.

Assets/Values	Total 31/12/2025	Total 31/12/2024
1. Owned assets	87,038	85,996
a) land	30,687	30,687
b) buildings	50,217	48,199
c) furniture	2,496	2,455
d) electronic equipment	1,935	2,427
e) other	1,703	2,229
2. Rights of use acquired through leases	22,377	23,500
a) land	-	-
b) buildings	21,078	22,206
c) furniture	-	-
d) electronic equipment	-	-
e) other	1,299	1,294
Total	109,415	109,496
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 31/12/2025				Total 31/12/2024			
	Carrying amount	Fair value			Carrying amount	Fair value		
		L1	L2	L3		L1	L2	L3
1. Owned assets	228	-	-	228	240	-	-	240
a) land	-	-	-	-	-	-	-	-
b) buildings	228	-	-	228	240	-	-	240
2. Rights of use acquired through leases	-	-	-	-	-	-	-	-
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
Total	228	-	-	228	240	-	-	240
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	107,742	6,962	11,014	13,434	169,837
A.1 Total Net Impairments	-	37,337	4,507	8,587	9,911	60,341
A.2 Net opening balance	30,687	70,404	2,455	2,427	3,523	109,496
B. Increases:	-	7,868	441	727	1,113	10,149
B.1 Purchases	-	6,911	335	665	1,113	9,024
B.2 Capitalised improvement costs	-	885	-	-	-	885
B.3 Write-backs	-	-	-	-	-	-
B.4 Positive changes in fair value charged to	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.5 Exchange rate gains	-	-	-	-	-	-
B.6 Transfers from real estate held for investment purposes	-	-	X	X	X	-
B.7 Other changes	-	72	106	62	-	240
C. Decreases:	-	6,977	400	1,219	1,634	10,231
C.1 Sales	-	-	-	-	-	-
C.2 Depreciation	-	6,806	400	1,219	1,616	10,041
C.3 Impairment adjustments charged to	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Negative changes in fair value charged to	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
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	-	171	-	-	18	189
D. Net closing balance	30,687	71,295	2,496	1,935	3,002	109,415
D.1 Total Net Impairments	-	44,315	4,906	11,545	70,572	69,311
D.2 Gross closing balance	30,687	115,610	7,402	11,741	14,547	179,987
E. Measurement at cost	-	-	-	-	-	-

For all asset classes, the Bank applies the cost criterion.

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	-	240
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	-	228
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 31/12/2025		Total 31/12/2024	
	Fixed-term	Open-ended term	Fixed-term	Open-ended term
A.1 Goodwill	X	2,001	X	2,001
A.1.1 pertaining to the group	X	2,001	X	2,001
A.1.2 pertaining to minority interests	X	-	X	-
A.2 Other intangible assets	1,301	-	1,666	-
of which: software	-	-	-	-
A.2.1 Assets measured at cost:	1,301	-	1,666	-
a) Internally generated intangible assets	-	-	-	-
b) Other assets	1,301	-	1,666	-
A.2.2 Assets measured at fair value:	-	-	-	-
a) Internally generated intangible assets	-	-	-	-
b) Other assets	-	-	-	-
Total	1,301	2,001	1,666	2,001

Intangible assets amounted to €3.3 million as at 31 December 2025, of which €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 €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 €898,982);
- Igea Banca's acquisition of Pasvim S.p.A. at the end of 2019 (goodwill of €177,458);
- merger of Igea Finanziaria S.p.A. into Banca Popolare dell'Etna Soc. Coop. in 2015 (goodwill of €621,957);
- purchase of the GEOREDD business unit on 11 July 2024 (goodwill of €302,664).

Definition of CGUs

For the 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;
- GeoRE|DD

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 2026-2028.

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:

$$W = \sum_{t=1}^n \frac{UN_t}{(1+k_e)^t} + \frac{UN_{norm-n+1}}{(1+k_e)^n} \cdot \frac{(k_e \cdot g.)}{(1+k_e)^n}$$

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 2025.

In order to determine the carrying amount necessary for the impairment test, reference was made to the accounting situation as of 31 December 2025, which shows shareholders' equity of €380,474,633 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 2025 for long-term (10-year) government bonds, i.e. 3.57%.

This resulted in a cost of equity of 7.20%, as summarised below.

Components	Values	Notes
Risk Free rate	3.57%	10 years maturity Bond (Italy) - 12 months average as of 31.12.2025
Market Risk Premium	4.23%	Industrialised countries Market Risk Premium (Damodaran January 2026)
Relevered Beta	0.39	Beta Levered - Comparable Companies Damodaran, Banks (Regional), January 2026
Alpha	2.00%	Additional Risk Premium
K_e	7.20%	$K_e = R_f + (MRP \times \text{Relevered Beta}) + \text{Additional Risk Premium}$

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 2026-2028, on which a tax rate of 35.5% 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	70.74
Terminal Value (NPV)	397.20
Equity Value as at 31.12.2025 (Recoverable amount)	467.94

The **recoverable amount**, as at 31 December 2025 was €467,940,970 and was compared with the carrying amount of the CGU, estimated at €380,474,633 million.

€	31.12.2025
Recoverable Amount	467,940,970
Carrying Amount	380,474,633
Highest value	87,466,337

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 (K_e) and the growth rate (g).

This analysis was carried out assuming a fluctuation of 25 basis points both upwards and downwards for the K_e 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 €37.7 million to a maximum of €152.8 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:

- 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 2025. In order to determine the carrying amount necessary for the impairment test, reference was made to the accounting situation as at 31 December 2025, reflecting shareholders’ equity of €23,053,118.

Below is the calculation of the carrying amount:

Euro	31.12.2025
Share capital	29,850,000
Reserves	(7,203,061)
Profit (Loss) for the year	406,179
TOTAL NET ASSETS (A)	23,053,118
Goodwill (B)	177,458
Total Carrying amount (A+B)	23,230,577

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 €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
Share capital	29,850,000
Reserves	(7,203,061)
Profit (Loss) for the year	406,179
TOTAL NET ASSETS (A)	23,053,118
Licence (B)	800,000
Total FAIR VALUE (A+B)	23,853,118

The recoverable amount thus obtained was compared with the carrying amount of the CGU, estimated at €23,230,577.

31.12.2025	Results
Recoverable amount	23,853,118
Carrying amount	23,230,577
Headroom / (impairment loss)	622,542

The estimates obtained from the valuation model do not show any impairment losses at the CGU level.

Cash Generating Unit (CGU) GeoRE|DD

Initially conceived as a service offered by Real Estate Documents & Data (RE|DD) S.r.l. (hereinafter also “Redd S.r.l.”), GeoRE|DD is configured as a business unit providing georeferencing services and data “cross-checking” with the land registry and Urban Plans.

Specifically, GeoRE|DD is designed as an application (*web app*) that allows users to examine individual areas or real estate assets, uploading and verifying property documents online as well as carrying out land scouting;

moreover, the platform, unlike other georeferencing portals, makes it possible to map multiple assets within a portfolio via API and to consult the supporting documentation.

Following the acquisition of the business unit by Banca del Fucino S.p.A. in July 2024, the web app moved from being an application with partial national coverage, populated according to the needs of individual clients of REDD S.r.l., to a platform with targeted coverage of the national territory as it is intended for the Renewable Energies sector.

This will be achievable through the GeoScouting Project, aimed at optimising the entire land-scouting process for the development of renewable energy plants by enhancing the current GeoRE|DD platform with new features and expertise. Specifically, through a system based on queryable *layers*, the GeoRE|DD platform facilitates the identification, visualisation and querying of areas for the development of renewable energy plants, leveraging internal know-how to strengthen the platform's impact and applicability.

In the case at hand, in the light of the information available on the Target, the *recoverable amount* was considered to be the *fair value less cost of disposal*, through application of the financial method (hereinafter also "*Discounted Cash Flow*" or "*DCF*").

The chosen method, unanimously considered the most sophisticated among financial methods, defines the company's value as the sum of the present value of expected cash flows and the company's residual value at the end of the time horizon for the analytical estimation of cash flows, reduced by net financial debt outstanding at the time of the 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 2025. For the purposes of determining the *carrying amount*, reference was therefore made (i) to the carrying amount of the software as shown in the fixed asset register at the valuation date and (ii) to the value of the related goodwill recognised in the financial statements of Banca del Fucino S.p.A. at the valuation date.

In addition, as explained above, it is considered appropriate to identify a single CGU corresponding to the entire GeoRE|DD business unit.

Below is the detailed calculation of the carrying amount:

€	31.12.2025
Net value of Software (A)	469,791
Goodwill (B)	302,664
Total Carrying amount (A+B)	772,455

It is believed that, based on current knowledge, there is no evidence to suggest a time-limited duration of the activity carried out by the business unit. Therefore, a residual value was considered in the valuation, assuming a perpetuity, calculated using the following formula:

$$F_{(n)} = \frac{FCF_{(n)} \cdot (1 + g)}{WACC - g}$$

where:

FCF(n): normalised level of available cash flow for the first year following the explicit forecast period;

WACC: weighted average cost of capital;

g: growth rate of available cash flow expected in perpetuity.

Based on the values identified in the previous sections, the *Enterprise Value* of the business unit was set equal to the sum of:

- i. the present value of the *unlevered* cash flows $F(t)$ generated during the explicit projection period and
- ii. the residual value $F(n)$, discounted at a rate equal to the weighted average cost of capital (i.e. WACC) of 8.38%, by discounting these flows in accordance with the so-called *mid-year convention*.

The recoverable amount thus determined, amounting to €794,144, was compared with the carrying amount of CGU, estimated at €772,455.

31.12.2025	Results
Recoverable amount	794,144
Carrying amount	772,455
Headroom / (impairment loss)	21,689

In view of the analysis carried out, there is no need to make adjustments to the CGU subject to the *impairment test*, as the value of the *recoverable amount* exceeds the related *carrying amount*.

10.2 Intangible assets: annual changes

	Goodwill	Other intangible assets: internally generated		Other intangible assets: other		Total
		DEF	INDEF	DEF	INDEF	
A. Opening balance	2,001	-	-	2,350	-	4,351
A.1 Total Net Impairments	-	-	-	684	-	684
A.2 Net opening balance	2,001	-	-	1,666	-	3,667
B. Increases	-	-	-	616	-	616
B.1 Purchases	-	-	-	616	-	616
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 income statement	X	-	-	-	-	-
B.5 Exchange rate gains	-	-	-	-	-	-
B.6 Other changes	-	-	-	-	-	-
C. Decreases	-	-	-	981	-	981
C.1 Sales	-	-	-	-	-	-
C.2 Value adjustments	-	-	-	981	-	981
- Amortisation	X	-	-	981	-	981
- Write-downs	-	-	-	-	-	-
+ shareholders' equity	X	-	-	-	-	-
+ income statement	-	-	-	-	-	-
C.3 Negative changes in fair value	-	-	-	-	-	-
- to shareholders' equity	X	-	-	-	-	-
- to income statement	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	-	-	1,301	-	3,302
D.1 Total net value adjustments	-	-	-	1,665	-	1,665
E. Gross closing balance	2,001	-	-	2,966	-	4,967
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 sets out the composition and movements of current and deferred tax assets and liabilities, recognised with a corresponding entry in both equity and the income statement.

With reference to IRES, the rate reduction provided for by the 2016 Stability Law (Italian Law No. 208 of 28 December 2015) was not taken into account since, for credit and financial institutions, the same legislation introduced an additional surcharge that keeps the overall tax level unchanged at 27.5%.

For IRAP purposes, the effective rate was used, determined on the basis of the territorial allocation of the taxable base, taking into account the temporary increase of 2 percentage points provided for, for the tax periods 2026, 2027 and 2028, by the 2026 Budget Law (Italian Law No. 199 of 30 December 2025).

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

International Accounting Standard IAS 12 provides, as a general rule, that deferred tax assets (DTAs) must be recognised in the financial statements in respect of all so-called deductible temporary differences where the reporting entity considers it probable that future taxable profits will be available against which such differences can be utilised (the so-called probability test).

This assumption also applies to DTAs arising from the possibility of using past tax losses to reduce future taxable income. In the presence of recent tax losses, DTAs on new tax losses must however be recognised only if, and to the extent that, there is convincing evidence that sufficient future taxable income will be available to utilise them.

For reasons of logical and systematic consistency, the same criterion was also applied with reference to deferred tax assets (DTAs) arising from the possibility of carrying forward to subsequent tax periods any excess ACE deductions (i.e. Allowance for Corporate Equity) remaining unused at the end of the financial year (this tax relief was repealed by Article 5 of Legislative Decree No. 216/2023 with effect from the 2024 tax period, without prejudice to the possibility of carrying forward any previously accumulated excess amounts).

In summary, the prerequisite for recognising deferred tax assets (DTAs) is the probability of generating sufficient taxable income to enable the recovery of deductible temporary (or timing) differences, with the specific feature that, for certain cases (DTAs relating to tax losses and excess ACE deductions), such assessment requires a higher level of rigour and must be supported by convincing evidence.

From an operational perspective, IAS 12 requires that, *when assessing whether taxable profit will be available against which a deductible temporary difference can be utilised*, consideration should be given both to the

financial year in which the deductible temporary difference is expected to reverse and to subsequent financial years in which any tax loss arising from the reversal of the deductible temporary difference may be carried forward (see paragraph 28 of IAS 12).

To this end:

- deductible temporary differences (or timing differences) are compared with future taxable income, with tax deductions arising from the reversal of those differences being excluded from the calculation;
- taxable income arising from deductible temporary differences (or timing differences) expected in future financial years is not considered since the related deferred tax assets would themselves require the availability of future taxable income in order to be recognised.

The probability test relating to the deferred tax assets recognised in the financial statements for the financial year ending 31 December 2025 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 establish a predetermined time horizon for estimating the future taxable profits necessary to assess the probability of recovery of deferred tax assets;
- the Italian tax system does not provide any time limit for the carry-forward of past tax losses;
- future taxable income, pending the preparation of the new Group Business Plan, was determined on the basis of the Business Plan 2025-2028. For the time horizon subsequent to that considered in the aforementioned business plan, taxable income was prudently assumed to remain 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 approach reflects the fact that the potential conversion of such deferred tax assets (DTAs) into tax credits, upon the occurrence of specific conditions, constitutes a sufficient element to support their recognition, thereby effectively satisfying 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 recoverability of deferred tax assets relating to the higher impairment losses on loans to customers recognised in the financial statements as a result of the transition to the international accounting standard IFRS 9 has been assessed, for both IRES and IRAP purposes, taking into account the applicable tax deductibility rules, including the deferrals introduced by subsequent Budget Laws;

- with reference to the 2026 and 2027 tax periods, the reabsorption of tax losses takes into account the provisions of Article 1(79)(a) and (b) of the 2026 Budget Law (Italian Law No. 199 of 30 December 2025);
- for IRES and IRAP purposes, the deductibility of interest expense takes into account the limitations introduced by Article 1(133-136) of the 2026 Budget Law (Italian Law No. 199 of 30 December 2025), whereby such interest is deductible to the extent of 96% for the 2026 tax period, 97% for the 2027 tax period, 98% for the 2028 tax period and 99% for the 2029 tax period.

In light of these elements, the forecast taxable income of the companies belonging to the Group is considered sufficient to enable the recovery of the deferred tax assets recognised in the financial statements for the year ended 31 December 2025, within a timeframe deemed appropriate.

11.1 Deferred tax assets: breakdown

Assets/Values	Total	
	31/12/2025	31/12/2024
Tax losses carried forward	24,598	29,729
Value adjustments on Loans to customers prior to 2016	410	399
Value adjustments on Loans to customers FTA IFRS 9	10,249	9,812
ACE surplus carried forward	636	636
Provisions for risks and charges	9,882	9,574
Other	1,344	1,960
Total	47,120	52,110

Deferred tax assets at the Group level amounted to €47.1 million (€52.1 million as at 31 December 2024), showing a decrease of approximately €5 million compared with the previous year, mainly attributable to the reversal of deferred tax assets previously recognised on past tax losses.

Tax losses carried forward relate to negative results incurred by the Group companies in previous financial years; in particular, these deferred tax assets mainly relate to €19.7 million attributable to the Parent Company Banca del Fucino and €4.9 million attributable to the subsidiary Banca Italiana per l'Ambiente e l'Energia.

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, which provide that these assets may be transformed into tax credits upon the occurrence of specific conditions, such as: a statutory loss, a tax loss for IRES purposes and/or a negative net production value for IRAP purposes. For the Bank, this

framework includes deferred tax assets recognised in relation to impairment losses on loans not yet deducted for tax purposes under the previous versions of Article 106, paragraph 3, of the Italian Income Tax Code (TUIR).

The above rules were also introduced in order to prevent convertible DTAs from being deducted from regulatory own funds following the entry into force of the Basel III prudential framework, mitigating the potential competitive disadvantage for Italian banks arising from the previous limits on the tax deductibility of value adjustments on loans and receivables.

Subsequently, Decree-Law No. 59 of 3 May 2016 (the so-called “Banking Decree”), converted into Law No. 119 of 30 June 2016, in order to address the concerns raised by the European Commission regarding the compatibility of the deferred tax asset conversion regime with State aid regulations, made the continued entitlement to the conversion of deferred tax assets (DTAs) conditional upon the payment of an annual fee equal to 1.5%, calculated on any positive difference between qualifying DTAs and the total taxes paid since 2008.

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 relating to the additional impairment losses on loans to customers recognised on first-time adoption of the international accounting standard IFRS 9, amounting to €8.9 million for the Parent Bank and €1.3 million for the subsidiary Banca Italiana per l’Ambiente e l’Energia, were determined, for both IRES and IRAP purposes, taking into account the provisions of the 2019 Budget Law (*i.e.* deduction in ten equal instalments starting from the 2018 tax period), as well as the subsequent deferrals introduced thereafter.

Deferred tax assets relating to ACE (Allowance for Corporate Equity) surpluses carried forward (pursuant to Decree-Law No. 201/2011) derive from unused portions of the incentive that may be utilised in future periods to reduce taxable income.

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.

11.2 Deferred tax liabilities: breakdown

	Total 31/12/2025	Total 31/12/2024
As a balancing entry to the Income statement	1,023	1,150
As a balancing entry to the Shareholders’ Equity	1,059	691
Total	2,082	1,841



Deferred tax liabilities recognised through the income statement mainly relate to the tax effect arising from gross differences between the accounting carrying amount and the tax value of the employee severance indemnity provision (TFR), the fair value of derivative assets recognised by the Parent Company in connection with commitments to sell tax credits recorded in the trading portfolio, and the exchange gain recognised by the Parent Company Banca del Fucino as a result of the unified extraordinary transaction in the Green business segment (reverse merger of Fucino Green S.r.l. into E-Way Finance S.p.A. followed by the subsequent demerger of the acquiring entity), in accordance with the tax neutrality principle set out in Articles 172 and 173 of the Italian Income Tax Code (TUIR).

Deferred tax liabilities recognised directly in equity mainly relate to temporary differences between the carrying amount and the tax base of the loyalty provision, as well as to positive fair value changes in securities measured through other comprehensive income.

11.3 Changes in deferred tax assets (offsetting entry to the income statement)

	Total 31/12/2025	Total 31/12/2024
1. Initial amount	50,860	48,508
2. Increases	1,237	5,812
2.1 Deferred tax assets recognised during the financial year	738	5,812
a) relating to previous financial years	-	-
b) due to changes in accounting criteria	-	-
c) write-backs	-	-
d) other	738	5,812
2.2 New taxes or tax rate increases	452	1
2.3 Other Increases	47	-
3. Decreases	5,591	3,460
3.1 Deferred tax assets derecognised during the financial year	5,246	3,460
a) reversals	5,246	3,460
b) write-downs for non-recoverability	-	-
c) change of accounting criteria	-	-
d) other	-	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	344	-
a) conversion into tax credits under Law No. 214/2011	344	-
b) other	-	-
4. Final amount	46,507	50,860

The change in deferred tax assets recognised with a balancing entry in the income statement is mainly attributable to the reversal of deferred tax assets previously recognised on past tax losses.

11.4 Changes in deferred tax assets under Law 214/2011

	Total 31/12/2025	Total 31/12/2024
1. Initial amount	399	744
2. Increases	356	-
3. Decreases	344	344
3.1 Reversals	-	-
3.2 Conversion into tax credits	344	344
a) arising from operating losses	-	-
b) arising from tax losses	344	344
3.3 Other decreases	-	-
4. Final amount	410	399

The increase in deferred tax assets under Italian Law No. 214/2011, relating to the Parent Bank, is attributable to the *reassessment* carried out to reflect the temporary increase of 2 percentage points in the IRAP rate

provided for, for the tax periods 2026, 2027 and 2028, by the 2026 Budget Law (Italian Law No. 199 of 30 December 2025).

11.5 Changes in deferred taxes (balancing entry to the income statement)

	Total 31/12/2025	Total 31/12/2024
1. Initial amount	1,150	469
2. Increases	449	1,048
2.1 Deferred taxes recognised in the financial year	2	910
a) relating to previous financial years	-	-
b) due to changes in accounting criteria	-	-
c) other	2	910
2.2 New taxes or tax rate increases	-	-
2.3 Other Increases	447	138
3. Decreases	577	367
3.1 Deferred taxes derecognised during the financial year	577	367
a) reversals	577	367
b) due to changes in accounting criteria	-	-
c) other	-	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	-	-
4. Final amount	1,023	1,150

The decrease in deferred tax liabilities recognised through the income statement mainly results from the net effect of the reversal of deferred taxes previously recognised on gross differences between the carrying amount and the tax value of the employee severance indemnity provision (TFR), as well as on the fair value of derivative assets recognised in connection with commitments to sell tax credits recorded in the trading portfolio.

11.6 Changes in deferred tax assets (with balancing entry in shareholders' equity)

	Total 31/12/2025	Total 31/12/2024
1. Initial amount	1,250	1,834
2. Increases	91	398
2.1 Deferred tax assets recognised during the financial year	91	398
a) relating to previous financial years	-	-
b) due to changes in accounting criteria	-	-
c) other	91	398
2.2 New taxes or tax rate increases	-	-
2.3 Other Increases	-	-
3. Decreases	728	982
3.1 Deferred tax assets derecognised during the financial year	728	982
a) reversals	728	982
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	613	1,250

The overall amount of the reduction in deferred tax assets with a balancing entry in shareholders' equity compared to 31 December 2024 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 31/12/2025	Total 31/12/2024
1. Initial amount	691	149
2. Increases	1,326	758
2.1 Deferred taxes recognised in the financial year	1,326	758
a) relating to previous financial years	-	-
b) due to changes in accounting criteria	-	-
c) other	1,326	758
2.2 New taxes or tax rate increases	-	-
2.3 Other Increases	-	-
3. Decreases	957	216
3.1 Deferred taxes derecognised during the financial year	957	216
a) reversals	957	216
b) due to changes in accounting criteria	-	-
c) other	-	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	-	-
4. Final amount	1,059	691

The overall amount of the increase in deferred taxes with a balancing entry in shareholders' equity compared to 31 December 2024 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 31/12/2025	Total 31/12/2024
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>	-	14,500
<i>of which measured at fair value level 1</i>	-	-
<i>of which measured at fair value level 2</i>	-	-
<i>of which measured at fair value level 3</i>	-	-
B. Discontinued operations		
B.1 Financial assets measured 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>of which measured at fair value level 1</i>	-	-
<i>of which measured at fair value level 2</i>	-	-
<i>of which measured at fair value level 3</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>of which measured at fair value level 1</i>	-	-
<i>of which measured at fair value level 2</i>	-	-
<i>of which measured at fair value level 3</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>of which measured at fair value level 1</i>	-	-
<i>of which measured at fair value level 2</i>	-	-
<i>of which measured at fair value level 3</i>	-	-

12.2 Other information

In 2024, this item related to the Vittoria IV security, which was disposed of on 15 January 2025.

Section 13 - OTHER ASSETS - ITEM 130

13.1 Other assets: breakdown

Assets/Values Assets/Values	Total	
	31/12/2025	31/12/2024
Items for subsidised loans	3,828	4,402
Items in processing	53,737	55,482
Accruals and deferrals	5,460	4,968
Leasehold improvements	3,121	3,622
Receivables due from Finvest Spa and Torlonia Partecipazioni Spa	1,576	1,655
Tax credits acquired	427,608	532,301
Other items	20,450	18,939
Total	515,779	621,370

The sub-item “Tax credits acquired”, which overall represents approximately 82.91% of the total item, consists of tax credits acquired by the Group for offsetting purposes (amounting to €222 million), in consideration of its tax capacity, as well as tax credits intended for disposal to third-party counterparties (amounting to €206 million).

The sub-item “Items in progress”, which overall represents 10.42% of the total item, mainly consists of suspense accounts that enable interaction between multiple procedures and record transactions to be settled automatically by other procedures or pending manual reconciliation.

The sub-item “Other items”, representing 3.96% of the total, mainly consists of trade receivables.



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 31/12/2025				Total 31/12/2024			
	Carrying amount	Fair Value			Carrying amount	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Amounts due to central banks	200,753	X	X	X	200,926	X	X	X
2. Amounts due to banks	585,394	X	X	X	743,767	X	X	X
2.1 Current accounts and on-demand deposits	27,477	X	X	X	27,291	X	X	X
2.2 Time deposits	444,931	X	X	X	454,941	X	X	X
2.3 Financing	112,987	X	X	X	261,535	X	X	X
2.3.1 Repurchase Agreements	102,987	X	X	X	261,535	X	X	X
2.3.2 Other	10,000	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	-	X	X	X
2.6 Other payables	(0)	X	X	X	-	X	X	X
Total	786,147	-	-	785,450	944,693	-	-	942,538

Key:

L1=Level 1

L2=Level 2

L3=Level 3

1.2 Financial liabilities measured at amortised cost: breakdown by type of payables due to customers

Type of transaction/Values	Total 31/12/2025				Total 31/12/2024			
	Carrying amount	Fair Value			Carrying amount	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Current Accounts and on-demand Deposits	2,792,167	X	X	X	2,433,209	X	X	X
2. Term deposits	1,138,459	X	X	X	1,217,094	X	X	X
3. Financing	89,476	X	X	X	72,348	X	X	X
3.1 Repurchase Agreements	21,139	X	X	X	2,854	X	X	X
3.2 Other	68,338	X	X	X	69,493	X	X	X
4. Payables for commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
5. Lease liabilities	22,754	X	X	X	23,712	X	X	X
6. Other payables	15,234	X	X	X	17,804	X	X	X
Total	4,058,091	-	-	4,059,631	3,764,166	-	-	3,767,521

Key:

L1=Level 1

L2=Level 2

L3=Level 3

Payables due to customers are not specifically hedged. 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 31/12/2025				Total 31/12/2024			
	Carrying amount	Fair Value			Carrying amount	Fair Value		
		L1	L2	L3		L1	L2	L3
A. Securities								
1. bonds	190,540	107,737	-	82,962	125,841	24,705	-	101,136
1.1 structured	-	-	-	-	-	-	-	-
1.2 other	190,540	107,737	-	82,962	125,841	24,705	-	101,136
2. other securities	577	-	-	579	860	-	-	862
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	577	-	-	579	860	-	-	862
Total	191,117	107,737	-	83,541	126,702	24,705	-	101,998

Key:

L1=Level 1

L2=Level 2

L3=Level 3

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

	31/12/2025	31/12/2024
A.2 Non-subordinated debts	4,844,237	4,708,860
- banks	786,147	944,693
- customers	4,058,091	3,764,166
B.1 Subordinated securities	83,859	33,234
- banks	-	-
- customers	83,858	33,234
B.2 Non-subordinated securities	107,258	93,468
- banks	92,027	72,932
- customers	15,231	20,536
Total	5,035,354	4,835,561

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	
	31/12/2025	31/12/2024
Residual life		
- Up to 1 year	8,067	9,477
- From 1 to 5 Years	383	257
- Over 5 years	14,304	13,978
Total	22,754	23,712

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 31/12/2025					Total 31/12/2024				
	NV	Fair Value			Fair Value *	NV	Fair Value			Fair Value *
		L1	L2	L3			L1	L2	L3	
A. Cash liabilities										
1. Amounts due to banks	-	-	-	-	-	-	-	-	-	-
2. Amounts 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		34	220	2,981			185	179	3,330	
1.1 Trading	X	34	220	2,981	X	X	185	179	3,330	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	34	220	2,981	X	X	185	179	3,330	X
Total (A+B)	X	34	220	2,981	X	X	185	179	3,330	X

Key:

NV = nominal or notional value

L1 = Level 1

L2 = Level 2

L3 = Level 3

Fair value * = Fair value calculated by excluding the changes in value attributable to changes in the issuer's credit rating since the issue date

This item includes €34 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 €220 thousand for the negative fair value of unlisted options. It also includes the negative FV of tax credit derivatives amounting to €2.9 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 recognised.

Section 4 - HEDGING DERIVATIVES - ITEM 40

4.1 Hedging derivatives: breakdown by hedge type and level

	Fair value 31/12/2025			NV 31/12/2025	Fair value 31/12/2024			NV 31/12/2024
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives	-	36	-	1,426	-	83	-	2,061
1) Fair value	-	36	-	1,426	-	83	-	2,061
2) Cash Flows	-	-	-	-	-	-	-	-
3) Foreign Investments	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash Flows	-	-	-	-	-	-	-	-
Total	-	36	-	1,426	-	83	-	2,061

Key:

NV :notional value

L1=Level 1

L2=Level 2

L3=Level 3

The negative fair value of hedging derivatives, equal to €36 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	-	36	X	X	X	-	X	X	
3. Portfolios	X	X	X	X	X	X	-	X	-	X	
4. Other transactions	-	-	-	-	-	-	X	-	X	-	
Total assets	-	-	-	36	-	-	-	-	-	-	
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X	
2. Portfolios	X	X	X	X	X	X	-	X	-	X	
Total liabilities	-	-	-	-	-	-	-	-	-	-	
1. Expected 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 recognised.

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

	31/12/2025	31/12/2024
Other payables to personnel	2,737	2,564
Payables to social security institutions / Amounts to be paid to the tax authorities	13,473	18,518
Items in processing	53,374	45,609
Accruals and deferrals	5,039	7,694
Other items	59,889	54,851
Total	134,512	129,236

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 progress” 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 €34 million and various debts that will be settled in the course of 2026. 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 31/12/2025	Total 31/12/2024
A. Opening balance	3,018	2,816
B. Increases	440	606
B.1 Provision for the financial year	348	595
B.2 Other changes	93	11
C. Decreases	620	405
C.1 Settlements made	156	36
C.2 Other changes	464	369
D. Closing balance	2,837	3,018
Total	2,837	3,018

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	31/12/2025
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	31/12/2025	31/12/2024
Annual discount rate	3.96%	3.38%
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	31/12/2025	31/12/2024
Advances Frequency	2.00%	2.00%
Turnover Frequency	2.00%	2.00%

Reconciliation of IAS 19 Valuations

	31/12/2025
Defined Benefit Obligation as at 1-1-2025	3,018
Service Cost	245
Interest Cost	102
Benefits paid	(199)
Transfers in/(out)	-
Expected DBO as at 31-12-2025	3,192
Actuarial (Gains)/Losses from experience	(188)
Actuarial (Gains)/Losses from change of financial assumptions	(139)
Defined Benefit Obligation as at 31-12-2025	2,837

Reconciliation of IAS 19 and statutory severance pay as at 31-12-2024

	31/12/2025
Defined Benefit Obligation as at 31-12-2025	2,837
Statutory severance pay as at 31-12-2025	3,058
Surplus/(Deficit)	(215)

Section 10 - PROVISIONS FOR RISKS AND CHARGES - ITEM 100

10.1 Provisions for risks and charges: breakdown

Items/Components	Total 31/12/2025	Total 31/12/2024
1. Provisions for credit risk related to financial commitments and guarantees given	1,773	858
2. Provisions on other commitments and other guarantees given	921	355
3. Company retirement funds	-	-
4. Other provisions for risks and charges	6,879	6,664
4.1 legal and tax disputes	5,171	4,862
4.2 personnel expenses	1,536	1,802
4.3 other	171	-
Total	9,572	7,877

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	355	-	6,664	7,019
B. Increases	566	-	739	1,305
B.1 Provision for the financial year	566	-	739	1,305
B.2 Changes due to the passage of time	-	-	-	-
B.3 Changes due to changes in the discount rate	-	-	-	-
B.4 Other changes	-	-	-	-
C. Decreases	-	-	525	525
C.1 Use during the financial year	-	-	308	308
C.2 Changes due to changes in the discount rate	-	-	216	216
C.3 Other changes	-	-	-	-
D. Closing balance	921	-	6,879	7,799

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. The decreases in the financial year refer for €308 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	25	88	-	-	114
Financial guarantees given	140	10	1,509	-	1,659
Total	166	98	1,509	-	1,773

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	
	31/12/2025	31/12/2024
Legal Disputes	5,171	4,862
Personnel Expenses	1,536	1,802
Other provisions	171	-
Total	6,879	6,664

Section 11 - INSURANCE LIABILITIES - ITEM 110

At the date of preparation of the financial statements, this item was not recognised.

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 31/12/2025	Total 31/12/2024
A. Capital		
A.1 Ordinary shares	270,347	232,265
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 €270.3 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	135,439,889	-
- fully paid-up	135,439,889	-
- not fully paid-up	-	-
A.1 Treasury shares (-)	-	-
A.2 Outstanding shares: opening balance	135,439,889	-
B. Increases	22,206,000	-
B.1 New Issues	22,206,000	-
- for consideration:	22,206,000	-
- business combination operations	-	-
- conversion of bonds	-	-
- exercise of warrants	-	-
- other	22,206,000	-
- 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	157,645,889	-
D.1 Treasury shares (+)	-	-
D.2 Existing shares at financial year-end	157,645,889	-
- fully paid-up	157,645,889	-
- not fully paid-up	-	-

13.3 Capital: other information

During 2025, the Board of Directors of the Parent Company executed, in accordance with Article 5 of the Articles of Association, the following capital increase transactions:

- the meeting held on 27 February 2025 approved a share capital increase of €20,921,780.00, with the creation of a share premium reserve amounting to €9,578,220.00;
- the meeting held on 26 March 2025 approved a share capital increase of €6,859,600.00, with the creation of a share premium reserve of €3,140,400.00;
- the meeting held on 31 March 2025 approved a share capital increase of €2,400,860.00, with the creation of a share premium reserve of €1,099,140.00;
- the meeting held on 29 May 2025 approved a share capital increase of €1,725,189.40, with the creation of a share premium reserve of €789,810.60;

- the meeting held on 9 July 2025 approved a share capital increase of €3,429,800.00, with the creation of a share premium reserve of €1,570,200.00;
- the meeting held on 30 October 2025 approved a share capital increase of €2,743,840.00, with the creation of a share premium reserve amounting to €1,256,160.00.

As a result of the aforementioned extraordinary transactions, the share capital of Banca del Fucino amounts, as at the date of approval of this document, to €270,346,566.46, divided into 157,645,889 shares with no par value (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	
	31/12/2025	31/12/2024
Promoter Committee Reserve	104	104
Retained earnings/loss carried forward	23,607	8,001
Retained earnings/loss carried forward (pursuant to IFRS 9)	(210)	(210)
Other Reserves	(8,510)	5,643
Total	14,992	13,538

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 2025, €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 "Equity attributable to non-controlling interests"

Company name	Total 31/12/2025	Total 31/12/2024
Investments in wholly-owned subsidiaries with significant minority interests		
1. Fucino RMBS S.r.l.	10	10
2. Fucino SME 2 S.r.l.	10	10
Total	20	20

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.

OTHER INFORMATION

1. Commitments and guarantees given

	Nominal value on commitments and financial guarantees given				Total 31/12/2025	Total 31/12/2024
	First stage	Second stage	Third stage	Impaired acquired or originated		
1. Commitments to disburse funds	663,967	44,928	15,898	-	724,794	648,555
a) Central Banks	-	-	-	-	-	-
b) Public administrations	2,504	-	-	-	2,504	2,690
c) Banks	1,033	-	-	-	1,033	1,033
d) Other financial companies	27,676	1,418	-	-	29,094	9,814
e) Non-financial companies	517,677	41,769	15,799	-	575,245	506,274
f) Households	115,079	1,741	99	-	116,919	128,744
2. Financial guarantees given	26,495	1,161	1,563	-	29,219	29,537
a) Central Banks	-	-	-	-	-	-
b) Public administrations	15,496	-	-	-	15,496	15,310
c) Banks	3,047	-	-	-	3,047	2,571
d) Other financial companies	180	1,000	-	-	1,180	1,191
e) Non-financial companies	7,431	161	1,514	-	9,106	10,038
f) Households	340	-	49	-	389	427

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 31/12/2025	Total 31/12/2024
1. Other guarantees given	56,869	50,058
of which: impaired credit exposures	2,695	1,845
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	220	-
d) Other financial companies	840	840
e) Non-financial companies	52,508	46,283
f) Households	3,301	2,935
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 31/12/2025	Amount 31/12/2024
1. Financial assets measured at fair value through profit or loss	-	-
2. Financial assets measured at fair value through other comprehensive income	21,093	116,478
3. Financial assets measured at amortised cost	109,026	159,565
4. Property, plant and equipment	-	-
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. Securities custody and administration	3,007,617
a) third-party securities on deposit: related to custodian bank activities (excluding portfolio management)	-
1. securities issued by companies included in the consolidation	-
2. other securities	-
b) third-party securities on deposit (excluding portfolio management): other	1,290,035
1. securities issued by companies included in the consolidation	248,662
2. other securities	1,041,373
c) third-party securities deposited with third parties	1,286,895
d) own securities deposited with third parties	1,717,582
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
INCOME STATEMENT

PART C - INFORMATION ON THE CONSOLIDATED INCOME STATEMENT
INCOME STATEMENT
Section 1 - INTEREST - ITEMS 10 AND 20
1.1. Interest and similar income: breakdown

Technical items/forms	Debt securities	Financing	Other transactions	Total 31/12/2025	Total 31/12/2024
1. Financial assets measured at fair value through profit or loss:	506	40	-	546	79
1.1 Financial assets held for trading	506	-	-	506	26
1.2 Other financial assets designated at fair value	-	-	-	-	-
1.3 Other financial assets mandatorily measured at fair value	-	40	-	40	53
2. Financial assets measured at fair value through other comprehensive income	15,601	-	X	15,601	17,602
3. Financial assets measured at amortised cost:	25,952	140,059		166,011	191,696
3.1 Receivables due from banks	-	8,168	X	8,168	13,521
3.2 Loans to customers	25,952	131,891	X	157,844	178,175
4. Hedging derivatives	X	X	-	-	-
5. Other assets	X	X	6,336	6,336	5,553
6. Financial liabilities	X	X	X	-	-
Total	42,058	140,099	6,336	188,494	214,930
of which: interest income on impaired financial assets	-	1,899	-	1,899	4,097
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	
	31/12/2025	31/12/2024
Financial assets in foreign currencies	1,729	1,151

1.3 Interest expenses and similar charges: breakdown

Technical items/forms	Payables	Securities	Other transactions	Total 31/12/2025	Total 31/12/2024
1. Financial liabilities measured at amortised cost	(86,006)	(6,732)	X	(92,737)	(127,581)
1.1 Payables due to central banks	(5,368)	X	X	(5,368)	(10,926)
1.2 Payables due to banks	(6,379)	X	X	(6,379)	(18,967)
1.3 Payables due to customers	(74,259)	X	X	(74,259)	(92,876)
1.4 Securities outstanding	X	(6,732)	X	(6,732)	(4,813)
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	(69)	(69)	(29)
6. Financial Assets	X	X	X	-	-
Total	(86,006)	(6,732)	(69)	(92,807)	(127,610)
of which: interest expenses related to lease payables	(250)	X	X	(250)	(206)

The balance of the item “Hedging derivatives” reflects the differentials and margins related to interest rate risk of hedging derivatives. The increase compared with the previous year reflects the trend in interest rates during 2025 and the growth in funding.

1.4 Interest and similar income: other information

1.4.1 Interest expense on foreign currency liabilities

	Total	
	31/12/2025	31/12/2024
Financial liabilities in foreign currencies	(615)	(942)

1.5 Differentials related to hedging transactions

Items	Total 31/12/2025	Total 31/12/2024
A. Positive differentials relating to hedging transactions	48	89
B. Negative differentials relating to hedging transactions	(117)	(118)
C. Balance (A-B)	(69)	(29)

Section 2 - COMMISSIONS - ITEMS 40 AND 50

2.1 Commission income: breakdown

Type of services/Values	Total 31/12/2025	Total 31/12/2024
a) Financial instruments	3,883	3,525
1. Placement of securities	3,355	2,874
1.1 On a firm and/or irrevocable commitment basis	-	-
1.2 Without irrevocable commitment	3,355	2,874
2. Reception and transmission of orders and execution of orders on behalf of customers	529	651
2.1 Receipt and transmission of orders for one or more financial instruments	529	651
2.2 Execution of orders on behalf of customers	-	-
3. Other commissions related to activities involving financial instruments	-	-
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	172	170
1. Custodian bank	-	-
2. Other commissions relating to custody and administration activities	172	170
g) Central administrative services for collective portfolio management	2	-
h) Fiduciary activities	3	-
i) Payment services	15,113	16,500
1. Current accounts	6,821	7,412
2. Credit cards	1,628	2,933
3. Debit cards and other payment cards	1,722	1,527
4. Bank transfers and other payment orders	2,064	1,830
5. Other commissions relating to payment services	2,877	2,798
j) Distribution of third-party services	2,783	2,130
1. Collective portfolio management	-	-
2. Insurance products	2,357	1,793
3. Other products	426	336
of which: individual portfolio management	-	-
k) Structured finance	-	-
l) Servicing activities for securitisation transactions	1,407	1,332
m) Commitments to disburse funds	-	-
n) Financial guarantees given	1,109	964
of which: credit derivatives	-	-
o) Financing transactions	11,245	8,564
of which: for factoring transactions	1,838	1,634
p) Currency trading	821	746
q) Commodities	-	-
r) Other commission income	349	167
of which: for management activities of multilateral trading systems	-	-
of which: for activities for the management of organised trading facilities	-	-
Total	36,888	34,097

2.2 Commission expenses: breakdown

Type of services/values	Total 31/12/2025	Total 31/12/2024
a) Financial instruments	(66)	(24)
of which: trading in financial instruments	-	-
of which: placement of financial instruments	(66)	(24)
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	(11)	(14)
e) Collection and payment services	(2,369)	(3,488)
of which: credit cards, debit cards and other payment cards	(1,830)	(3,018)
f) Servicing activities for securitisation transactions	-	-
g) Commitments to receive funds	-	-
h) Financial guarantees received	(2,589)	(2,176)
of which: credit derivatives	-	-
i) Off-premises offering of financial instruments, products and services	-	-
j) Currency trading	-	-
k) Other commission expenses	(2,031)	(2,248)
Total	(7,065)	(7,951)



Section 3 - DIVIDENDS AND SIMILAR INCOME - ITEM 70

3.1 Dividends and similar income: breakdown

Items/Income	Total 31/12/2025		Total 31/12/2024	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading	1,111	-	1,031	-
B. Other financial assets mandatorily measured at fair value	-	-	-	-
C. Financial assets measured at fair value through other comprehensive income	38	-	54	-
D. Equity investments	-	-	-	-
Total	1,149	-	1,084	-

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 liabilities held for trading	18,571	6,120	(186)	(2,099)	22,405
1.1 Debt securities	-	118	(186)	(648)	(716)
1.2 Capital Securities	-	276	-	-	276
1.3 U.C.I.T.S. units	-	-	-	-	-
1.4 Financing	-	-	-	-	-
1.5 Other	18,571	5,726	-	(1,451)	22,846
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	1,224
4. Derivative instruments	-	13,256	(1,854)	(6,133)	5,268
4.1 Financial derivatives:	-	13,256	(1,854)	(6,133)	5,268
- On debt securities and interest rates	-	-	-	(42)	(42)
- On equity securities and equity indices	-	11,243	-	(6,092)	5,152
- On currencies and gold	X	X	X	X	-
- Others	-	2,012	(1,854)	-	158
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges related to the fair value option	X	X	X	X	-
Total	18,571	19,375	(2,040)	(8,233)	28,898

Section 5 - NET INCOME OF HEDGING ACTIVITIES - ITEM 90

5.1 Net income from hedging activities: breakdown

Income components/Values	Total 31/12/2025	Total 31/12/2024
A. Income related to:		
A.1 Fair value hedging derivatives	134	70
A.2 Hedged financial assets (fair value)	-	11
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)	134	81
B. Expenses relating to:		
B.1 Fair value hedging derivatives	-	(38)
B.2 Hedged financial assets (fair value)	(93)	(34)
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)	(93)	(72)
C. Net income from hedging activities (A - B)	42	9
of which: hedging result on net positions	(93)	22

Section 6 - GAINS (LOSSES) FROM DISPOSAL/REPURCHASE - ITEM 100

6.1 Gains (loss) from disposal/repurchase: breakdown

Items/Income components	Total 31/12/2025			Total 31/12/2024		
	Gains	Losses	Net result	Gains	Losses	Net result
Financial assets						
1. Financial assets measured at amortised cost	4,536	(3,240)	1,296	287	(8)	280
1.1 Receivables due from banks	2,658	-	2,658	-	-	-
1.2 Loans to customers	1,878	(3,240)	(1,362)	287	(8)	280
2. Financial assets measured at fair value through other comprehensive income	7,243	(1,387)	5,856	6,061	(591)	5,470
2.1 Debt securities	7,243	(1,387)	5,856	6,061	(591)	5,470
2.2 Financing	-	-	-	-	-	-
Total assets (A)	11,779	(4,626)	7,152	6,348	(599)	5,749
Financial liabilities measured at amortised cost	-	-	-	-	-	-
1. Amounts due to banks	-	-	-	-	-	-
2. Amounts due to customers	-	-	-	-	-	-
3. Securities outstanding	-	-	-	-	-	-
Total liabilities (B)	-	-	-	-	-	-

Section 7 - NET RESULT OF OTHER FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS - ITEM 110

7.1 Net change in value of other financial assets and liabilities measured at fair value through profit or loss: composition of financial assets and liabilities designated 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	351	-	-	-	351
1.1 Debt securities	351	-	-	-	351
1.2 Financing	-	-	-	-	-
2. Financial liabilities	-	-	-	-	-
2.1 Securities outstanding	-	-	-	-	-
2.2 Payables due to banks	-	-	-	-	-
2.3 Payables due to customers	-	-	-	-	-
3. Financial assets and liabilities in foreign currencies: exchange rate differences	X	X	X	X	-
Total	351	-	-	-	351

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	414	-	-	-	414
1.1 Debt securities	-	-	-	-	-
1.2 Capital Securities	-	-	-	-	-
1.3 U.C.I.T.S. units	414	-	-	-	414
1.4 Financing	-	-	-	-	-
2. Financial assets: exchange rate differences	X	X	X	X	-
Total	414	-	-	-	414

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 31/12/2025	Total 31/12/2024
	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	(8)	-	-	-	-	-	115	-	-	-	108	(55)
- Financing	(8)	-	-	-	-	-	115	-	-	-	108	(55)
- Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
B. Loans to customers	(2,854)	(7,524)	(1,072)	(25,245)	-	(1,015)	107	406	1,255	-	(35,942)	(76,559)
- Financing	(2,712)	(5,066)	(1,072)	(23,494)	-	(1,015)	103	406	1,255	-	(31,595)	(60,509)
- Debt securities	(142)	(2,458)	-	(1,752)	-	-	4	-	-	-	(4,347)	(16,050)
Total	(2,862)	(7,524)	(1,072)	(25,245)	-	(1,015)	222	406	1,255	-	(35,835)	(76,614)

Provisions for 2025 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. This item also included:

- impairments on ABS securities of approximately €4.4 million, as well as
- impairments arising from supervisory inspections of the loan portfolio of approximately €12.8 million.

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 31/12/2025	Total 31/12/2024
	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)
B. Financing	-	-	-	-	-	-	135	-	-	-	135	-
- Towards customers	-	-	-	-	-	-	135	-	-	-	135	-
- Towards banks	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	135	-	-	-	135	(119)

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 31/12/2025	Total 31/12/2024
1) Employees	(57,862)	(56,575)
a) wages and salaries	(38,108)	(38,218)
b) social security contributions	(11,208)	(11,000)
c) severance pay	(2,364)	(2,082)
d) social security expenses	(117)	(108)
e) provision for staff severance pay	(348)	(508)
f) provision for pensions and similar obligations:	-	-
- defined contribution	-	-
- defined benefits	-	-
g) payments to external supplementary pension funds:	(2,053)	(1,693)
- defined contribution	(2,053)	(1,693)
- defined benefits	-	-
h) costs arising from payment agreements based on own equity instruments	-	-
i) other employee benefits	(3,664)	(2,965)
2) Other personnel in active employment	(1,618)	(1,349)
3) Directors and Statutory Auditors	(2,427)	(2,545)
4) Retired staff	-	-
Total	(61,906)	(60,469)

Item “3) Directors and Statutory Auditors” includes remuneration for the Supervisory Board and Ethics Committee amounting to approximately €244 thousand.

12.2 Average number of employees per category

Items/Values	Total 31/12/2025	Total 31/12/2024
Employees:	586	555
a) executives	28	29
b) middle managers	254	238
c) other employees	304	288
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	
	31/12/2025	31/12/2024
Service/Past/Interest cost seniority/loyalty bonus	(206)	(204)
Personnel training costs	(98)	(45)
Travel, restaurants and hotel expenses	(394)	(500)
Personnel meal vouchers	(1,326)	(845)
Personal insurance premiums	(937)	(794)
scholarships for employees' children	(125)	(115)
Miscellaneous reimbursements to personnel	(227)	(320)
Leaving incentives	(352)	(143)
Total	(3,664)	(2,965)

12.5 Other administrative expenses: breakdown

Type of Expenses/Values	Total	
	31/12/2025	31/12/2024
Insurance	(1,932)	(1,743)
Stationery, printed materials and consumables	(616)	(1,022)
Membership contributions	(770)	(571)
Third-party data processing	(11,337)	(12,211)
Electricity, heating and water	(812)	(753)
Rental and lease fees payable	(1,892)	(2,060)
Indirect taxes and fees	(8,031)	(7,352)
Advertising and representation	(3,315)	(3,451)
Premises cleaning	(823)	(771)
Maintenance expenses	(1,848)	(1,993)
Legal, notary and consultancy fees	(12,759)	(16,153)
Company reports and CRA fees	(1,299)	(1,493)
Telephone, postal and data transmission costs	(4,523)	(3,255)
Transport costs	(898)	(884)
Surveillance of premises	(2,328)	(2,713)
Other expenses	(3,449)	(4,824)
Total	(56,631)	(61,250)



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	(376)	(150)	(526)
Assurance services	(36)	(8)	(44)
Total	(412)	(158)	(570)

The item “Other expenses” include contributions to the Interbank Deposit Protection Fund amounting to €198 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	
	31/12/2025	31/12/2024
A - Provisions for credit risk relating to commitments and guarantees given	(1,578)	(416)
B - Surplus for credit risk relating to commitments and guarantees given	98	344
Total	(1,480)	(72)

13.2 Net provisions for other commitments and other guarantees given: breakdown

Items/Values	Total	
	31/12/2025	31/12/2024
Provisions	(1,578)	(416)
Adjustments	98	344
Total	(1,480)	(72)

13.3 Net other provisions for risks and charges

Items/Values	Total	
	31/12/2025	31/12/2024
Provisions for litigation	(359)	(3,561)
Other provisions	(174)	-
Total A	(533)	(3,561)
Surplus of the provision for risks and charges on positions set aside in previous financial years:		
- for legal disputes	20	132
- for other provisions	-	-
Total B	20	132
Total (A+B)	(513)	(3,429)

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	(10,041)	-	-	(10,041)
- Owned	(4,374)	-	-	(4,374)
- Rights of use acquired through leases	(5,667)	-	-	(5,667)
2. Held for investment purposes	(12)	-	-	(12)
- Owned	(12)	-	-	(12)
- Rights of use acquired through leases	-	-	-	-
3. Inventories	X	-	-	-
Total	(10,053)	-	-	(10,053)

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	(981)	-	-	(981)
- Generated internally by the company	-	-	-	-
- Other	(981)	-	-	(981)
A.2 Rights of use acquired through leases	-	-	-	-
Total	(981)	-	-	(981)

Section 16 - OTHER OPERATING EXPENSES AND INCOME - ITEM 230

16.1 Other operating expenses: breakdown

Items/Values	Total	
	31/12/2025	31/12/2024
Lawsuits as defendant	(46)	(386)
Actuarial losses, staff severance pay, retirement and loyalty funds	-	(7)
Amortisation of leasehold improvements	(885)	(877)
Intra-group charges	(166)	(619)
Other residual items	(802)	(3,235)
Total	(1,899)	(5,125)

16.2 Other operating income: breakdown

Items/Values	Total	
	31/12/2025	31/12/2024
Stamp duty recovery from customers	5,207	4,870
Recovery of legal costs	258	418
Recovery of withholding tax from customers	947	1,034
Recovery of various expenses relating to c/c, d/r and cc/dd	230	208
Recovery of miscellaneous expenses from customers	5,580	4,470
Plafond income and tax credits	220	461
Intra-group income	129	129
Advisory income	576	1,640
Capital gains from the sale of the Acquiring business unit	-	7,000
Other residual items	4,497	3,362
Total	17,644	23,593

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.

The item “Other residual items” includes income of €1 million relating to the commercial agreement with Athora Italia and €2.5 million relating to the release of staff costs accrued in the previous financial year that will not be incurred;

Section 17 - GAINS (LOSSES) ON EQUITY INVESTMENTS - ITEM 250

17.1 Gains (losses) on equity investments: breakdown

Income components/Sectors	Total 31/12/2025	Total 31/12/2024
1) Jointly controlled companies		
A. Income	-	-
1. Revaluations	-	-
2. Gains on disposals	-	-
3. Write-backs	-	-
4. Other income	-	-
B. Charges	-	-
1. Write-downs	-	-
2. Impairment adjustments	-	-
3. Losses on disposal	-	-
4. Other expenses	-	-
Net profit/(loss)	-	-
2) Companies subject to significant influence		
A. Income	373	70,596
1. Revaluations	373	-
2. Gains on disposals	-	-
3. Write-backs	-	-
4. Other income	-	70,596
B. Charges	(2,330)	(20,184)
1. Write-downs	(2,330)	(19,598)
2. Impairment adjustments	-	-
3. Losses on disposal	-	-
4. Other expenses	-	(586)
Net profit/(loss)	(1,957)	50,412
Total	(1,957)	50,412

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 31/12/2025	Total 31/12/2024
A. Real estate	-	-
- Gains on disposals	-	-
- Losses on disposal	-	-
B. Other assets	-	5
- Gains on disposals	-	9
- Losses on disposal	-	(4)
Net profit/(loss)	-	5

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 31/12/2025	Total 31/12/2024
1. Current taxes (-)	(2,744)	-
2. Changes in current taxes of previous financial years (+/-)	-	-
3. Reduction in current taxes for the financial year (+)	745	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 (+/-)	(4,353)	2,352
5. Change in deferred tax liabilities (+/-)	128	(682)
6. Taxes for the financial year (-) (-1+/-2+3+3bis+/-4+/-5)	(6,224)	1,809

The value of taxes as at 31 December 2025 was negative for €6.2 million.

Current taxes relate to the recognition of IRES and IRAP for the period.

The change in deferred tax assets is mainly attributable to the reversal of deferred tax assets previously recognised on past tax losses

The change in deferred taxes results from the reversal of deferred tax balances previously recognised on gross differences between the carrying amount and the tax value of the employee severance indemnity provision (TFR), as well as on the fair value of derivative assets recognised in connection with commitments to sell tax credits recorded in the trading portfolio.

21.2 Reconciliation between theoretical tax charge and actual tax charge in the financial statements

	Taxable income	Tax	Rate
Profit (Loss) from current operations before tax	10,040		
Corporate income tax (IRES) rate			27.5%
Corporate income taxes (IRES) - theoretical tax burden		(2,761)	
Effects on corporate income tax (IRES) of increases in taxable income	10,760	(2,959)	
Effects on corporate income tax (IRES) of decreases in taxable income	(1,086)	299	
Group IRES taxable base	19,713	(5,421)	
of which tax loss for the financial year	(5,030)	-	
of which tax profit for the financial year	24,743	(6,804)	
Utilisation of past tax losses	(17,921)	4,928	
Utilisation of past ACE surpluses	(3,379)	929	
A. Actual tax burden - current IRES tax			
Increases in deferred tax assets		689	
Decreases in deferred tax assets		(5,219)	
Increases in deferred tax liabilities		(2)	
Decreases in deferred tax liabilities		502	
B. Total IRES deferred tax effects		(4,069)	
C. Total accrued IRES (A+B)		(5,016)	
Theoretical tax base pursuant to Article 6 of Italian Legislative Decree No. 446/1997	66,029		
Average Regional tax on productive activities (IRAP) rate			5.49%
IRAP - theoretical tax burden		(3,328)	
Effects on corporate income tax (IRAP) of increases in taxable income	20,642	(1,134)	
Effects on corporate income tax (IRAP) of decreases in taxable income	(58,250)	3,200	
Net production value IRAP	28,422	(1,563)	
of which positive production value	32,711	(1,797)	
of which negative production value	(4,289)	-	
D. Actual tax burden current IRAP tax		(1,797)	
Increases in deferred tax assets		542	
Decreases in deferred tax assets		(27)	
Increases in deferred tax liabilities			
Decreases in deferred tax liabilities		74	
E. Total deferred IRAP tax effects		589	
F. Total accrued IRAP (D+E)		(1,208)	
G. Previous year's taxes		-	
Total accrued IRES/IRAP taxes (C+F+G)		(6,224)	

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”

At the reference date of the financial statements, the section has no valuation and is therefore omitted.

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		31/12/2025	31/12/2024
10.	Profit (Loss) for the year	3,815	10,276
	Other income components net of taxes without recycling to the income statement	281	320
20.	Equity securities designated at fair value through other comprehensive income:	22	327
	a) change in fair value	(177)	327
	b) Transfers to other equity components	199	-
70.	Defined benefit plans	486	240
110.	Income taxes on other income components without recycling to profit or loss	(228)	(247)
	Other income components net of taxes with recycling to profit or loss	1,759	2,010
160.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	2,537	2,889
	a) changes in fair value	2,884	2,738
	b) recycling to income statement	(349)	151
	- credit risk adjustments	(135)	119
	- realised gains/losses	(213)	32
	c) other changes	1	-
210.	Income taxes on other income components with recycling to profit or loss	(778)	(879)
220.	Total other income components	2,040	2,330
230.	Comprehensive income (Item 10 + 220)	5,855	12,606
240.	Consolidated comprehensive income attributable to non-controlling interests	-	-
250.	Consolidated comprehensive income attributable to the Parent Company	5,855	12,606

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 of specific Officers, within the companies which, in the opinion of the Parent Company, take on risks considered material for the Group as a whole, who:
 - o provide support to the Corporate Control Function outsourced to the Parent Company, report to the Board of Directors of the subsidiary and are functionally accountable 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 on any events or situations likely to alter the risks generated by the subsidiary;
- the identification, within the Board of Directors of the subsidiaries, of a director responsible for the outsourced Corporate Control Functions; this director will be selected from the independent directors and must have the professional qualifications 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;
- examine 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;
- review reports issued by the Control Functions in the course of its activities in order to evaluate the adequacy of control mechanisms and the effectiveness of the risk mitigation measures to be implemented;
- express 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;
- contribute, by means of assessments and opinions, to the definition of the corporate policy on the outsourcing of corporate control functions;
- guide and oversee the strategic sustainability plan in order to be able to monitor its progress over time;
- verify 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 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	Bad loans	Unlikely to pay	Impaired past due exposures	Non-impaired past due exposures	Other non-impaired exposures	Total
1. Financial assets measured at amortised cost	7,644	117,257	33,813	40,310	3,486,385	3,685,409
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	504,792	504,792
3. Financial assets designated at fair value	-	-	-	-	12,599	12,599
4. Other financial assets mandatorily measured at fair value	-	-	-	-	2,629	2,629
5. Financial assets held for sale	-	-	-	-	-	-
Total 31/12/2025	7,644	117,257	33,813	40,310	4,006,405	4,205,430
Total 31/12/2024	8,845	88,159	47,367	36,288	3,792,545	3,973,204

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	218,741	(60,027)	158,714	-	3,557,636	(30,941)	3,526,695	3,685,409
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	504,885	(93)	504,792	504,792
3. Financial assets designated at fair value	-	-	-	-	X	X	12,599	12,599
4. Other financial assets mandatorily measured at fair value	-	-	-	-	X	X	2,629	2,629
5. Financial assets held for sale	-	-	-	-	-	-	-	-
Total 31/12/2025	218,741	(60,027)	158,714	-	4,062,521	(31,034)	4,046,715	4,205,430
Total 31/12/2024	238,285	(93,913)	144,371	12	3,853,959	(28,793)	3,828,833	3,973,204



Portfolios/quality	Assets of evident low credit quality		Other assets
	Accumulated capital losses	Net exposure	Net exposure
1. Financial assets held for trading	-	-	53
2. Hedging derivatives	-	-	87
Total 31/12/2025	-	-	140
Total 31/12/2024	-	-	576

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.
- d) counterparty rating.

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 Banca Italiana per l'Ambiente e l'Energia (abbreviated "BIAE", formerly Igea Digital Bank) in the assessment of risks associated with the granting of credit, while also promoting regulatory compliance initiatives and improvements in the efficiency of the credit approval process, providing support in the development of market analyses (in terms of size, geographic distribution and sector), which contribute to the definition of lending policies;
- ensures the control of credit risk by putting in place adequate line controls, since the responsibilities for first-level controls are vested in it;
- carries out the process of review, completion and integration of credit assessments for applications requiring approval at higher decision-making levels (including those of the subsidiary BIAE), while also independently approving applications falling within its delegated authority or submitting them to higher governing bodies as appropriate;
- takes care of the finalisation of all credit facilities;
- manages performing positions (including Forborne Performing positions) and ensures the protection of the Banking Group's interests in the area of credit management.

Within the performing loan segment, the Territorial Network operates under the hierarchical responsibility of the Retail & SME Directorate within the Business Division, and is overseen by designated Area Managers. Each Area Manager is responsible for the branches within their assigned geographic area, in accordance with the guidelines and directives issued by the Head of the Directorate to which they report both 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 the non-performing loan (NPL) segment, the management of positions classified as Past Due is entrusted to the Territorial Network, with the support and coordination of the Credit Monitoring Unit, while the NPE Directorate implements the actions deemed most effective for the monitoring and recovery of impaired exposures under its direct responsibility, including transactions involving the disposal or restructuring of such receivables (Forborne Non-Performing). Within the scope of impaired credit exposures under its direct responsibility (Unlikely to Pay and Bad Loans), the Directorate proposes and carries out all judicial and out-of-court actions necessary for credit recovery. 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 Unit, which is organisationally positioned within the Performing Loans Directorate, performs the following functions:

- monitors positions showing irregular performance across the Banking Group, based on evidence produced by supporting IT systems (CQM) or on reports received from Relationship Managers;
- 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 periodic and enhanced oversight of portfolios supported by state guarantees, with the objective of ensuring timely management and, where required, appropriate classification;
- where the relevant conditions are met, formulates and submits to the competent bodies of the Banking Group proposals for the classification of risk exposures under “Watch List” status, outside the automatic classification mechanisms provided for in the process or within one of the categories applicable to impaired exposures.

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:

- ensuring better operational structuring as well as a formalised representation of the credit granting/assessment processes;
- directing lending activities according to more standardised counterparty creditworthiness assessment logics, defined on the basis of European banking best practice;
- disseminating the credit culture at every level of the company, so that the organisational structure is permeated by it and increasingly internalises credit assessment logics;
- documenting and preserving 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 borrowers into 10 rating classes (from "1", the least risky, to "10", the most risky), while reserving three additional classes for defaulted exposures ("C+" for past due/overdrawn exposures, "C" for unlikely-to-pay exposures and "D" for bad 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 Group's risk policies;

- Classes 5 to 7: have a probability of default considered to be at the attention threshold;
- Classes 8 to 10: have, in general, a high probability of default.

The credit assessment model, based on data collected at the time of the loan application and on information obtained from Chambers of Commerce and Eurisc, as well as on a set of indicators such as the counterparty risk profile, the level of capital coverage and profitability, enables the calculation of the counterparty's creditworthiness. 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 Bank's credit policy is aimed at the prudent selection of borrowers through careful assessment of creditworthiness, with the objective of containing risk while taking into account the commercial objectives set out in the Business Plan. 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).

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 doubtful receivables and exposures automatically classified as Past Due is entrusted to the Territorial Network, supported and coordinated by the Credit Monitoring Unit, while the management of

exposures classified as Unlikely to Pay and Bad Loans is assigned to the NPE Directorate. The Credit Monitoring Unit and the NPE Directorate, in collaboration with the Territorial Network, promote all actions deemed necessary for the credit exposures under their respective responsibility to restore them to performing status or, where this is not possible, to record them within the impaired loan portfolio (Unlikely to Pay and Bad 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 include estimating loss forecasts and the related recovery times for both unlikely-to-pay exposures and bad loans, above predetermined amount thresholds. 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 exposures relating to counterparties classified as Past Due, regardless of the amount, as well as for those relating to counterparties classified as Unlikely to Pay or Bad Loans, within predefined exposure thresholds, the statistical assessment model is applied on a collective basis.

For positions with counterparties classified in the Probable Default category that exceed certain predetermined limits, loss forecasts are assessed analytically. In particular, for the corporate segment, the Bank estimates future cash flows based on two general approaches that identify the operating scenario 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 compared with those previously mentioned (bad loans, unlikely to pay and past due and/or overdrawn impaired exposures), but rather represents a subset within each of those categories. It includes on-balance-sheet exposures and commitments to provide funds that are subject to forbearance measures (forbore exposures), provided that both of the following conditions are met:

- a) the debtor is experiencing financial difficulty that prevents full compliance with the contractual obligations of the debt agreement and results in a deterioration in credit quality (classification within one of the impaired exposure categories: bad loans, unlikely to pay, past due and/or overdrawn impaired exposures);
- b) the Group's banks grant a modification of the terms and conditions of the contract, or a full or partial refinancing of the exposure, in order to enable the debtor to meet its obligations (a concession that would not have been granted if the debtor had not been experiencing financial difficulty).

Exposures subject to forbearance granted to debtors experiencing financial difficulty that does not constitute credit deterioration are classified as forbore performing exposures and are included among other performing

exposures, or among past due performing exposures where they meet the criteria 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:

- the passage of at least one 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 forbore 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 forbore performing status.

For a credit exposure classified as forbore 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 forbore 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	8,990	-	0	9,449	10,024	11,700	4,806	13,674	61,043	54	8	345
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
3. Financial assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Total 31/12/2025	8,990	-	0	9,449	10,024	11,700	4,806	13,674	61,043	54	8	345
Total 31/12/2024	14,746	-	-	9,297	11,307	910	2,766	5,760	121,886	384	420	13,157

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	189	13,515	228	-	-	13,870	-	15,027	-	-	-	15,027
Increases from financial assets acquired or originated	-	42	-	-	-	42	-	15	-	-	-	15
Cancellations other than write-offs	-	(186)	-	-	-	(186)	-	(8)	-	-	-	(8)
Net value adjustments/write-backs for credit risk (+/-)	(30)	1,971	(135)	-	-	1,805	-	4,625	-	-	-	4,625
Contractual changes without cancellation	-	-	-	-	-	-	-	-	-	-	-	-
Changes in estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs not recognised directly in the income statement	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	392	-	-	-	392	-	(4,621)	-	-	-	(4,621)
Total final adjustments	158	15,734	93	-	-	15,922	-	15,038	-	-	-	15,038
Recoveries from write-offs of financial assets	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs recognised directly in the income statement	-	-	-	-	-	-	-	-	-	-	-	-



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	-	65,187	-	9,946	75,133	-	18,803	-	-	18,779	23
Increases from financial assets acquired or originated	-	436	-	-	436	-	X	X	X	X	X
Cancellations other than write-offs	-	(1,294)	-	-	(1,294)	-	(17,774)	-	-	(17,769)	(5)
Net value adjustments/write-backs for credit risk (+/-)	-	17,086	-	-	17,086	-	(12)	-	-	(12)	-
Contractual changes without cancellation	-	-	-	-	-	-	-	-	-	-	-
Changes in estimation methodology	-	-	-	-	-	-	-	-	-	-	-
Write-offs not recognised directly in the income statement	-	(22,183)	-	(9,946)	(32,129)	-	-	-	-	-	-
Other changes	-	(96)	-	-	(96)	-	1	-	-	1	-
Total final adjustments	-	59,137	-	-	59,137	-	1,017	-	-	999	18
Recoveries from write-offs of financial assets	-	273	-	-	273	-	-	-	-	-	-
Write-offs recognised directly in the income statement	-	(237)	-	-	(237)	-	-	-	-	-	-

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	159	19	679	2	123,754
Increases from financial assets acquired or originated	-	-	8	-	502
Cancellations other than write-offs	(2)	(34)	(20)	-	(19,317)
Net value adjustments/write-backs for credit risk (+/-)	8	112	842	-	24,466
Contractual changes without cancellation	-	-	-	-	(0)
Changes in estimation methodology	-	-	-	-	-
Write-offs not recognised directly in the income statement	-	-	-	-	(32,129)
Other changes	-	1	-	(2)	(4,325)
Total final adjustments	166	98	1,509	-	92,949
Recoveries from write-offs of financial assets	-	-	-	-	273
Write-offs recognised directly in the income statement	-	-	-	-	(237)

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	309,768	140,314	72,018	4,568	85,807	1,977
2. Financial assets measured at fair value through other comprehensive income	-	4,008	-	-	-	-
3. Financial assets held for sale	-	-	-	-	-	-
4. Commitments to disburse funds and financial guarantees given	35,318	25,771	5,441	4	8,612	20,873
Total 31/12/2025	345,086	170,093	77,460	4,572	94,419	22,850
Total 31/12/2024	197,504	109,672	24,627	444	44,746	3,465



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	454,318	442,492	11,827	-	-	158	102	56	-	-	454,160	-
a) Impaired	-	X	-	-	-	-	X	-	-	-	-	-
b) Non-impaired	454,318	442,492	11,827	X	-	158	102	56	X	-	454,160	-
A.2 OTHER	113,377	113,377	-	-	-	136	136	-	-	-	113,241	-
a) Non-performing loans	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne non-performing exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely to pay	-	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	-	0	-	-	X	-	(0)	-
- of which: forborne non-performing exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other unimpaired exposures	113,377	113,377	-	X	-	136	136	-	X	-	113,241	-
- of which: forborne non-performing exposures	-	-	-	X	-	-	-	-	X	-	-	-
TOTAL (A)	567,695	555,868	11,827	-	-	294	238	56	-	-	567,401	-
B. OFF-BALANCE-SHEET CREDIT EXPOSURES												
a) Impaired	-	X	-	-	-	-	X	-	-	-	-	-
b) Non-impaired	4,416	4,300	-	X	-	-	-	-	X	-	4,416	-
TOTAL (B)	4,416	4,300	-	-	-	-	-	-	-	-	4,416	-
TOTAL (A+B)	572,111	560,168	11,827	-	-	294	238	56	-	-	571,817	-

*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	19,628	X	-	19,517	110	11,984	X	-	11,883	101	7,644	-
- of which: forborne non-performing exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely-to-pay	161,620	X	-	160,081	1,539	44,363	X	-	43,473	890	117,257	-
- of which: forborne non-performing exposures	20,531	X	-	20,013	518	5,948	X	-	5,679	270	14,583	-
c) Impaired past due exposures	37,603	X	-	37,415	188	3,790	X	-	3,782	8	33,813	-
- of which: forborne non-performing exposures	7,275	X	-	7,275	-	984	X	-	984	-	6,291	-
d) Non-impaired past due exposures	42,118	9,019	33,035	X	64	1,808	75	1,729	X	4	40,310	-
- of which: forborne non-performing exposures	488	-	488	X	-	10	-	10	X	-	478	-
e) Other unimpaired exposures	3,922,124	3,461,517	373,617	X	1,282	28,959	15,631	13,314	X	14	3,893,165	-
- of which: forborne non-performing exposures	36,605	-	36,605	X	-	2,211	-	2,211	X	-	34,394	-
TOTAL (A)	4,183,092	3,470,536	406,653	217,014	3,183	90,903	15,707	15,042	59,137	1,017	4,092,189	-
B. OFF-BALANCE-SHEET CREDIT EXPOSURES												
a) Impaired	20,156	X	-	20,156	-	1,722	X	-	1,722	-	18,434	-
b) Non-impaired	862,806	797,899	49,413	X	-	971	752	219	X	-	861,835	-
TOTAL (B)	882,962	797,899	49,413	20,156	-	2,693	752	219	1,722	-	880,269	-
TOTAL (A+B)	5,066,054	4,268,435	456,065	237,170	3,183	93,596	16,459	15,261	60,860	1,017	4,972,458	-

*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	Bad loans	Unlikely to pay	Impaired past due exposures
A. Initial gross exposure	41,007	131,693	65,585
- of which: exposures transferred not derecognised	12	3,124	52
B. Increases	17,210	156,269	107,795
B.1 Inflows from non-impaired exposures	9,710	77,368	90,493
B.2 Inflows from impaired financial assets acquired or originated	-	14	63
B.3 Transfers from other impaired exposure categories	7,247	78,865	16,548
B.4 Contractual changes without cancellation	-	-	-
B.5 Other increases	253	21	691
C. Decreases	38,589	126,342	135,778
C.1 Outflows to non-impaired exposures	-	2,814	23,251
C.2 Write-offs	27,191	14,418	2,689
C.3 Collections	6,762	32,530	11,534
C.4 Proceeds from disposals	4,636	46,995	9,610
C.5 Losses from disposal	-	4,515	1,233
C.6 Transfers to other impaired exposures categories	-	22,650	80,010
C.7 Contractual changes without cancellation	-	-	-
C.8 Other decreases	-	2,419	7,450
D. Final gross exposure	19,628	161,620	37,603
- of which: exposures transferred not derecognised	-	245	3,435

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	37,057	13,932
- of which: exposures transferred not derecognised	3	1
B. Increases	24,855	39,457
B.1 Inflows from non-impaired exposures other than forborne	79	28,988
B.2 Inflows from non-impaired forborne exposures	10,074	X
B.3 Inflows from impaired forborne exposures	X	841
B.4 Inflows from non-forborne impaired exposures	14,702	5,492
B.5 Other increases	-	4,136
C. Decreases	34,107	16,296
C.1 Outflows to non-impaired forborne exposures	X	2,856
C.2 Outflows to non-impaired forborne exposures	841	X
C.3 Outflows to impaired forborne exposures	X	10,074
C.4 Write-offs	11,305	-
C.5 Collections	3,741	2,445
C.6 Proceeds from disposals	14,824	-
C.7 Losses from disposal	-	-
C.8 Other decreases	3,396	921
D. Final gross exposure	27,806	37,093
- of which: exposures transferred not derecognised	-	2,229

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	Bad loans		Unlikely to pay		Impaired past due exposures	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
A. Opening total adjustments	32,162	-	43,533	14,990	18,218	1,383
- of which: exposures transferred not derecognised	-	-	3	-	9	4
B. Increases	8,110	-	29,241	2,263	1,692	395
B.1 Value adjustments from impaired financial assets acquired or originated	101	X	888	X	8	X
B.2 Other value adjustments	5,439	-	20,321	2,263	421	325
B.3 Losses from disposal	-	-	4,688	-	1,233	70
B.4 Transfers from other impaired exposure categories	2,521	-	3,343	-	29	-
B.5 Contractual changes without cancellation	-	-	-	-	-	-
B.6 Other increases	50	-	-	-	-	-
C. Decreases	28,288	-	28,412	11,305	16,120	794
C.1 Write-backs from valuation	-	-	-	-	-	-
C.2 Write-backs from collections	801	-	-	-	454	2
C.3 Gains on disposal	296	-	4,996	-	564	-
C.4 Write-offs	27,191	-	14,418	11,305	2,689	-
C.5 Transfers to other impaired exposures categories	-	-	2,266	-	3,627	-
C.6 Contractual changes without cancellation	-	-	-	-	-	-
C.7 Other decreases	-	-	6,731	-	8,787	792
D. Total final adjustments	11,984	-	44,363	5,948	3,790	984
- of which: exposures transferred not derecognised	-	-	36	-	136	-

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	1,161	-	574,137	15,858	-	-	3,185,179	3,776,335
- First stage	1,161	-	573,128	15,858	-	-	2,559,469	3,149,615
- Second stage	-	-	1,010	-	-	-	405,510	406,519
- Third stage	-	-	-	-	-	-	217,018	217,018
- Impaired acquired or originated	-	-	-	-	-	-	3,183	3,183
B. Financial assets measured at fair value through other comprehensive income	19,196	2,718	472,603	2,226	1,030	-	7,112	504,885
- First stage	19,196	2,718	472,603	2,226	1,030	-	7,112	504,885
- Second stage	-	-	-	-	-	-	-	-
- Third stage	-	-	-	-	-	-	-	-
- Impaired acquired or originated	-	-	-	-	-	-	-	-
C. Financial assets held for sale	-	-	-	-	-	-	-	-
- First stage	-	-	-	-	-	-	-	-
- Second stage	-	-	-	-	-	-	-	-
- Third stage	-	-	-	-	-	-	-	-
- Impaired acquired or originated	-	-	-	-	-	-	-	-
Total (A+B+C)	20,357	2,718	1,046,740	18,083	1,030	-	3,192,290	4,281,220
D. Commitments to disburse funds and financial guarantees given	-	-	-	-	-	-	754,013	754,013
- First stage	-	-	-	-	-	-	690,462	690,462
- Second stage	-	-	-	-	-	-	46,089	46,089
- Third stage	-	-	-	-	-	-	17,461	17,461
- Impaired acquired or originated	-	-	-	-	-	-	-	-
Total (D)	-	-	-	-	-	-	754,013	754,013
Total (A+B+C+D)	20,357	2,718	1,046,740	18,083	1,030	-	3,946,303	5,035,232

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:	2,561,233	2,498,998	381,187	-	19,368	378,955	-	-
1.1. fully secured	1,842,040	1,798,108	381,187	-	16,593	377,042	-	-
- of which impaired	105,517	76,014	7,864	-	2,163	5,452	-	-
1.2. partially secured	719,193	700,890	-	-	2,776	1,913	-	-
- of which impaired	47,180	36,067	-	-	175	-	-	-
2. Secured "off-balance sheet" credit exposures:	380,513	378,101	2,803	-	9,185	43,697	-	-
2.1. fully secured	233,654	231,278	2,803	-	8,291	29,007	-	-
- of which impaired	8,715	7,004	31	-	76	674	-	-
2.2. partially secured	146,859	146,824	-	-	894	14,690	-	-
- of which impaired	3,984	3,978	-	-	-	-	-	-

	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:	-	-	-	1,176,764	-	43,271	312,130	2,311,675
1.1. fully secured	-	-	-	678,965	-	41,683	294,006	1,789,475
- of which impaired	-	-	-	43,354	-	593	16,587	76,014
1.2. partially secured	-	-	-	497,800	-	1,588	18,124	522,200
- of which impaired	-	-	-	28,744	-	28	307	29,253
2. Secured “off-balance sheet” credit exposures:	-	-	-	155,079	39	9,756	107,661	328,220
2.1. fully secured	-	-	-	83,651	7	4,191	103,318	231,267
- of which impaired	-	-	-	1,990	7	641	3,584	7,004
2.2. partially secured	-	-	-	71,428	32	5,565	4,343	96,952
- of which impaired	-	-	-	2,804	32	26	21	2,883

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	-	-	-	1	-	-
- of which: forborne non-performing exposures	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	5	-	-
- of which: forborne non-performing exposures	-	-	-	-	-	-
A.3 Impaired past due exposures	605	25	1	0	-	-
- of which: forborne non-performing exposures	-	-	-	-	-	-
A.4 Non-impaired exposures	1,130,888	344	196,189	12,162	2,890	2
- of which: forborne non-performing exposures	-	-	55	3	-	-
Total (A)	1,131,493	369	196,190	12,168	2,890	2
B. Off-balance-sheet credit exposures						
B.1 Impaired exposures	-	-	-	-	-	-
B.2 Non-impaired exposures	18,000	0	31,113	1	-	-
Total (B)	18,000	0	31,113	1	-	-
Total (A+B) 31/12/2025	1,149,492	369	227,302	12,169	2,890	2
Total (A+B) 31/12/2024	1,123,574	358	213,585	8,197	3,667	-



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	6,781	10,307	862	1,676
- of which: forborne non-performing exposures	-	-	-	-
A.2 Unlikely to pay	109,944	36,853	7,314	7,505
- of which: forborne non-performing exposures	12,812	4,290	1,770	1,659
A.3 Impaired past due exposures	30,027	3,281	3,181	483
- of which: forborne non-performing exposures	6,277	979	14	5
A.4 Non-impaired exposures	1,897,108	16,310	709,290	1,951
- of which: forborne non-performing exposures	32,050	2,154	2,767	64
Total (A)	2,043,860	66,752	720,647	11,615
B. Off-balance-sheet credit exposures				
B.1 Impaired exposures	18,277	1,713	157	9
B.2 Non-impaired exposures	631,411	951	120,424	19
Total (B)	649,689	2,664	120,581	28
Total (A+B) 31/12/2025	2,693,549	69,416	841,228	11,643
Total (A+B) 31/12/2024	2,454,633	94,423	735,894	20,697

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	203	775	1,638	1,617	2,916	4,995	2,886	4,596
A.2 Unlikely to pay	18,056	5,743	16,662	2,889	66,333	26,868	16,207	8,863
A.3 Impaired past due exposures	11,720	1,315	1,204	65	10,058	878	10,785	1,530
A.4 Non-impaired exposures	517,272	15,421	404,790	3,734	2,098,929	4,509	868,791	7,051
Total (A)	547,251	23,254	424,294	8,305	2,178,236	37,250	898,669	22,040
B. Off-balance-sheet credit exposures								
B.1 Impaired exposures	5,422	6	2,026	2	4,553	1,639	6,433	75
B.2 Non-impaired exposures	77,769	26	142,524	192	422,287	684	148,206	68
Total (B)	83,192	33	144,550	194	426,839	2,324	154,639	143
Total (A+B) 31/12/2025	630,443	23,287	568,844	8,499	2,605,075	39,573	1,053,308	22,183
Total (A+B) 31/12/2024	566,040	17,080	521,772	6,947	2,435,128	68,675	961,970	30,883

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	7,644	11,984	-	-	-
A.2 Unlikely to pay	117,257	44,363	-	-	-
A.3 Impaired past due exposures	33,767	3,788	46	2	-
A.4 Non-impaired exposures	3,889,782	30,714	40,402	33	1,960
Total (A)	4,048,450	90,849	40,448	35	1,960
B. Off-balance-sheet credit exposures					
B.1 Impaired exposures	18,434	1,722	-	-	-
B.2 Non-impaired exposures	790,785	971	10,065	-	30
Total (B)	809,219	2,693	10,065	-	30
Total (A+B) 31/12/2025	4,857,669	93,542	50,512	35	1,990
Total (A+B) 31/12/2024	4,484,910	123,585	38,763	44	2,807

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 Unlikely to pay	-	-	-	-	-
A.3 Impaired past due exposures	-	-	-	-	-
A.4 Non-impaired exposures	19	144	-	1,188	-
Total (A)	19	144	-	1,188	-
B. Off-balance-sheet credit exposures					
B.1 Impaired exposures	-	-	-	-	-
B.2 Non-impaired exposures	-	68	-	-	-
Total (B)	-	68	-	-	-
Total (A+B) 31/12/2025	19	212	-	1,188	-
Total (A+B) 31/12/2024	45	-	-	1,206	-

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 Unlikely to pay	-	-	-	-	-	-	-	-
A.3 Impaired past due exposures	-	-	-	-	-	-	-	-
A.4 Non-impaired exposures	50,185	167	102	1	514,002	115	150	-
Total (A)	50,185	167	102	1	514,002	115	150	-
B. Off-balance-sheet credit exposures								
B.1 Impaired exposures	-	-	-	-	-	-	-	-
B.2 Non-impaired exposures	87	-	-	-	3,695	-	-	-
Total (B)	87	-	-	-	3,695	-	-	-
Total (A+B) 31/12/2025	50,272	167	102	1	517,697	115	150	-
Total (A+B) 31/12/2024	30,518	137	3,301	3	416,751	249	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 Unlikely to pay	-	-	-	-	-
A.3 Impaired past due exposures	-	-	-	-	-
A.4 Non-impaired exposures	564,439	282	1,572	8	1,389
Total (A)	564,439	282	1,572	8	1,389
B. Off-balance-sheet credit exposures					
B.1 Impaired exposures	-	-	-	-	-
B.2 Non-impaired exposures	3,782	-	-	-	-
Total (B)	3,782	-	-	-	-
Total (A+B) 31/12/2025	568,221	282	1,572	8	1,389
Total (A+B) 31/12/2024	450,718	392	7,111	34	2,576

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 Unlikely to pay	-	-	-	-	-
A.3 Impaired past due exposures	-	-	-	-	-
A.4 Non-impaired exposures	4	-	-	-	-
Total (A)	4	-	-	-	-
B. Off-balance-sheet credit exposures					
B.1 Impaired exposures	-	-	-	-	-
B.2 Non-impaired exposures	-	635	-	-	-
Total (B)	-	635	-	-	-
Total (A+B) 31/12/2025	4	635	-	-	-
Total (A+B) 31/12/2024	9	-	-	-	-

B.4 Large exposures

31/12/2025			31/12/2024		
No. of customers	Nominal amount	Weighted amount	No. of customers	Nominal amount	Weighted amount
16	3,130,398	195,503	21	3,338,601	216,281

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 2025, there were 16 counterparties classified as Large Exposures, with a total exposure of approximately €3.13 billion.

C. Securitisation Transactions

Banca del Fucino, in addition to acting as Arranger and Advisor in the structuring of securitisation transactions, performs ancillary activities through the roles of Paying Agent, Servicer, Account Bank, Sponsor and Underwriter, which, depending on the context and the specific characteristics of each transaction, may be performed either simultaneously 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 €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	AA2 (sf)	AAA (sf)	AA(sf)
Mezzanine	A1 (sf)	AA (high) (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 most recent Payment Date on 31 December 2025, the Senior note was amortised by approximately €16.14 million, and as at 31 December 2025 its outstanding value amounted to approximately €45.74 million. To date, the liquidity resulting from the allocation of Senior Notes to the ECB amounts to approximately €27.25 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 four phases:

- 1) In 2023, Banca del Fucino sold a first portfolio worth approximately €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 €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 €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.
- 4) In November 2025, Banca del Fucino restructured the previous SME transactions, carrying out a *releverage* for the entire portfolio already securitised and additionally selling a fourth portfolio of €113.23 million whose underlying assets were performing loans resulting from unsecured loans concluded with SMEs supported by MCC and SACE guarantees. The Capital Structure was developed through the granting by JPMorgan of a new Senior Facility (Senior Facility 2025) - pursuant to Article 1, paragraph 1, letter (b) of Law No. 130/99 - in the amount of €444,363,655, representing 74% of the Capital Structure, and through the redemption of the Junior Note B1, together with the simultaneous restructuring of the Junior Note B2, which was converted into a partly paid note with a maximum nominal value of €200 million, subscribed for €159,623,154, representing the remaining 26% of the structure.

The table below shows the total capital structure at 31/12/2025:

Notes	Size (€ mm)	Size (%)	Interest Rate	WAL (yrs)	Debt holder
Senior Facility 2025	444,363,655	74%	3m Euribor + 1.55%	2.1	JPM
Junior Note class B2	159,623,154	26%	3m Euribor + 1.90% Variable	4.7	BDF
Total	603,986,809	100.0%			

Please note that, following the restructuring, the previous Senior Facilities (Senior Facility 2023, Senior Facility 2024) and the Junior Note B1 were redeemed. There was then an increase in the Junior Note B2, which was converted into a partly paid note with a maximum value of €200 million, subscribed by Banca del Fucino for €159.62 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 restructuring carried out in 2025 did not involve the execution of 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).

Interest coupons received from the date of issuance up to 31 December 2025 total approximately €6.6 million.

As at 31 December 2025, the class A note held by the Parent Company amounted to €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).

Interest coupons received from the date of issuance up to 31 December 2025 total approximately €5.4 million.

As at 31 December 2025, the class A note held by the Parent Company amounted to €19.03 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).

Interest coupons received from the date of issuance up to 31 December 2025 total approximately €14.6 million.

As at 31 December 2025 Class S1 notes were fully redeemed while Class A notes held by the Bank amounted to €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).

Interest coupons received from the date of issuance up to 31 December 2025 total approximately €5.4 million.

As at 31 December 2025, the class A note held by the Parent Company amounted to €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.

The coupons received from the issue date to 31 December 2025 amounted to €0.910 million.

The legal maturity of the notes is set in 2040.

Based on forward-looking assessments of the cash flows available to the securitisation, following the occurrence of the trigger event in January 2025, the senior and super senior notes had already been classified in Stage 3 as at 31 December 2024, with the application, in accordance with the “Group Application Policy -

IFRS 9 Accounting Principles”, of an individual assessment, and total impairment losses were recognised on the senior tranches amounting to approximately €8.8 million (representing an increase of more than 100% compared with the collective impairment rate of 2.94%), determined by approximating overdue and unpaid interest at the date of preparation of this document to €5.8 million and a principal write-down of €2.9 million. 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.

Following the trigger event, in May 2025 the “post trigger event” procedure was activated, through which an interesting opportunity arose to sell one of the assets underlying the securitised portfolio. As at today, the sale process is still ongoing.

“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.

Following the Junior Noteholder’s exercise of the contractual option right, on 12 December 2025 the Parent Company sold its entire investment in Class A Notes (i.e. the senior tranche) to La Colombo S.p.A. at a price equal to the par value of €1,799,206 plus interest accrued up to the date of sale.

The Bank retained the role of Account Bank and Paying Agent while it stepped down from the role of Master Servicer.

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-	Carrying amount	Net adjustments/write-	Carrying amount	Net adjustments/write-	Carrying amount	Net adjustments/write-	Carrying amount	Net adjustments/write-	Carrying amount	Net adjustments/write-	Carrying amount	Net adjustments/write-	Carrying amount	Net adjustments/write-	Carrying amount	Net adjustments/write-
A. MAIA SPE S.r.l. - Securitisation of “technical reserves” arising from tender contracts	23,350	817																
B. CARAVAGGIO SPE S.r.l. - Securitisation of “technical reserves” arising from tender contracts	19,282	674																
C. AURORA SPE S.r.l. - Securitisation of receivables from invoices issued by SMEs to the Italian National Health Authority (SSN)	44,979	45																
D. ALEXANDER SPE S.r.l. - Securitisation of “technical reserves” arising from tender contracts	27,628	967																
F. MAKALU SPV S.r.l. - Securitisation of disputed loans and mortgages	34,724	8,783			-	950												

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 securities	Other	Senior	Mezzanine	Junior
MAIA SPE S.r.l.	Via San Prospero 4, 20131, Milan (MI)	NO	27,300			22,922		6,237
CARAVAGGIO SPE S.r.l.	Via San Prospero 4, 20131, Milan (MI)	NO	16,950			19,027		2,700
AURORA SPE S.r.l.	Via San Prospero 4, 20131, Milan (MI)	NO	77,832			44,971	13,966	27,933
ALEXANDER SPE S.r.l.	Via San Prospero 4, 20131, Milan (MI)	NO	27,815			27,260		4,450
MAKALU SPV S.r.l.	Via degli Olivetani, 10/12 Milan (MI)	NO	47,152			34,050		19,000

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

Securitized 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.	-	72,513	118	16,052		57%				
Fucino SME 2.0 S.r.l.	3,521	527,907	4,486	206,532		100%				100%

*The share of non-impaired Senior and Junior assets repaid in full refers to the Senior Facility 2023, the Senior Facility 2024 and the Junior B1

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	21,093	-	21,093	-	21,139	-	21,139
1. Debt securities	21,093	-	21,093	-	21,139	-	21,139
2. Equity securities	-	-	-	X	-	-	-
3. Financing	-	-	-	-	-	-	-
E. Financial assets measured at amortised cost	631,798	530,990	100,808	3,507	465,788	362,802	102,987
1. Debt securities	100,808	-	100,808	-	102,987	-	102,987
2. Financing	530,990	530,990	-	3,507	362,802	362,802	-
Total 31/12/2025	652,891	530,990	121,901	3,507	486,927	362,802	124,125
Total 31/12/2024	922,950	655,104	267,845	3,175	673,449	409,059	264,389

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	
			31/12/2025	31/12/2024
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)	557,140	-	557,140	655,104
1. Debt securities	-	-	-	-
2. Financing	557,140	-	557,140	655,104
Total financial assets	557,140	-	557,140	655,104
Total associated financial liabilities	362,802	-	X	X
Net value 31/12/2025	194,338	-	557,140	X
Net value 31/12/2024	246,045	-	X	655,104

B. Financial assets sold and fully derecognised with recognition of continuing involvement

At the reference date of the financial statements, the item has no valuation and is therefore omitted.

C. Financial assets sold and fully derecognised

As part of the broader derisking initiatives undertaken by the Group, the disposal of a portfolio of non-performing loans classified as Past Due, Unlikely to Pay and Bad Loans was completed in July.

The transaction, named “Project Augusto”, involved the sale to five counterparties of a portfolio comprising 1,046 customer positions, with a total gross book value (“GBV”) as at 31 December 2024 of €96.7 million.

In December, a single-name disposal also took place on the Parent Company of a position classified as unlikely-to-pay, at a price of €16.8 million against an NBV of €18.5 million.

D. Covered bond transactions

At the reference date of the financial statements, the item has no valuation and is therefore omitted.

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 2025, 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 €263 million (Fair Value). Specifically, as at the reporting date, the portfolio in question consists of equity securities amounting to approximately €2.8 million (i.e. shares), with the remaining balance represented by tax credits held for resale to third parties (so-called "active management").

For the purposes of determining internal capital, on 31.12.2025, 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.

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	-	-	-	-	-	-	-	-
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	-	5,609	5,000	-	-	-	-	-
+ Short positions	-	5,168	5,000	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	8,259	82,601	32,038	104,815	-	-	-
+ Short positions	-	8,259	147,817	32,038	39,599	-	-	-

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 €228 million, the fair value of which is €206.1 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	-	168	-	-	-	-	-	-
+ Short positions	-	607	-	-	-	-	-	-

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	31	-	-	-	-	2,742	-
- 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 calculates interest rate risk exposure on the *banking book* in line with the standardised approach (SA) set out in the Commission Delegated Regulations (EU) - in application of Directive (EU) No 36/2013 (CRD) - and with the provisions contained in Annexes C and C-bis to Bank of Italy Circular No. 285/2013. 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, regardless of the methodology used to calculate internal capital under normal or stress conditions, the Group always assesses the impact of a hypothetical change in interest rates under prudential shock scenarios 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 net interest income analyses, there is no significant decrease in net interest income (equal to 5% of Tier 1 capital).

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	1,479,387	1,501,120	737,151	64,490	351,328	406,395	95,842	-
1.1 Debt securities	5,108	200,623	701,114	33,405	124,143	210,311	9,822	-
- with early redemption option	-	89,197	4,993	78	20	2,047	-	-
- others	5,108	111,426	696,121	33,327	124,123	208,264	9,822	-
1.2 Financing to banks	401,287	135,931	-	-	-	-	-	-
1.3 Financing to customers	1,072,992	1,164,566	36,037	31,086	227,185	196,084	86,021	-
- current accounts	492,628	14,877	-	-	1,349	928	-	-
- other financing	580,364	1,149,689	36,037	31,086	225,835	195,156	86,021	-
- with early redemption option	334,785	1,118,075	35,247	29,613	165,784	44,422	29,519	-
- others	245,580	31,614	789	1,473	60,051	150,733	56,502	-
2. Cash liabilities	2,850,685	1,465,991	260,076	251,725	167,306	6,284	93	-
2.1 Payables due to customers	2,820,545	690,464	226,277	234,629	46,841	6,284	93	-
- current accounts	2,740,475	682,103	224,321	226,716	5,341	-	-	-
- other payables	80,069	8,361	1,956	7,913	41,500	6,284	93	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	80,069	8,361	1,956	7,913	41,500	6,284	93	-
2.2 Payables due to banks	25,973	749,938	-	10,000	-	-	-	-
- current accounts	861	-	-	-	-	-	-	-
- other payables	25,112	749,938	-	10,000	-	-	-	-
2.3 Debt securities	4,168	25,589	33,799	7,096	120,465	-	-	-
- with early redemption option	4,117	-	10,092	-	50,670	-	-	-
- others	51	25,589	23,707	7,096	69,795	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	-	-	-	-	-	-	-	-
3. Financial derivatives	-	5,305	8,304	3,079	7,167	1,085	1,598	-
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	5,305	8,304	3,079	7,167	1,085	1,598	-
- Options	-	3,714	8,137	2,737	6,414	1,085	1,598	-
+ Long positions	-	2	7	2,737	6,413	1,085	1,598	-
+ Short positions	-	3,712	8,130	0	0	-	-	-
- Other derivatives	-	1,591	167	342	753	-	-	-
+ Long positions	-	1,426	-	-	-	-	-	-
+ Short positions	-	165	167	342	753	-	-	-
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	1,967	15,505	3,265	-	-	-	-	-
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	-	-	-	-	-	-	-	-
1.2 Financing to banks	1,953	15,033	-	-	-	-	-	-
1.3 Financing to customers	14	471	3,265	-	-	-	-	-
- current accounts	1	-	-	-	-	-	-	-
- other financing	13	471	3,265	-	-	-	-	-
- with early redemption option	13	471	3,265	-	-	-	-	-
- others	-	-	-	-	-	-	-	-
2. Cash liabilities	20,655	51	-	-	-	-	-	-
2.1 Payables due to customers	20,470	-	-	-	-	-	-	-
- current accounts	20,470	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	-	-	-	-	-	-	-	-
2.2 Payables due to banks	186	51	-	-	-	-	-	-
- current accounts	186	-	-	-	-	-	-	-
- other payables	-	51	-	-	-	-	-	-
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 31.12.2025, 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.

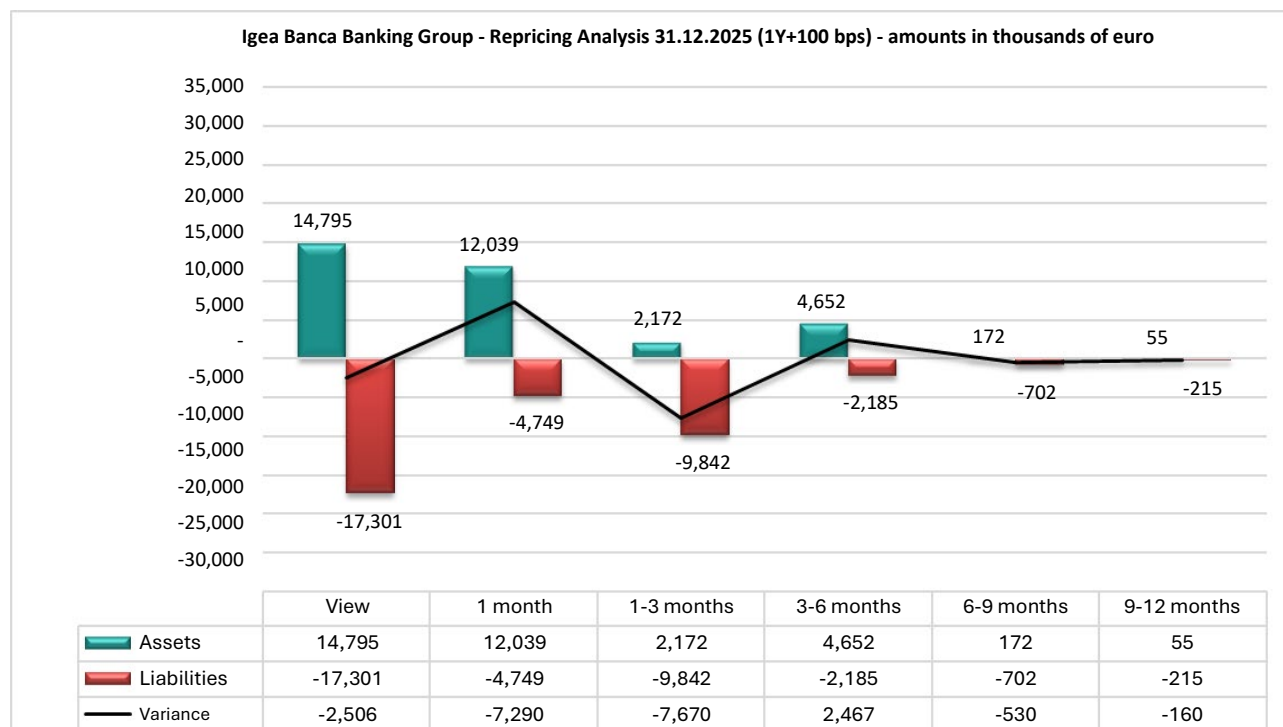
Net interest income analysis (*Net interest income - NII*)

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. Amounts referring to assets and liabilities are allocated according to:

- the interest rate reset date ("refixing date"), typical of variable-rate instruments;

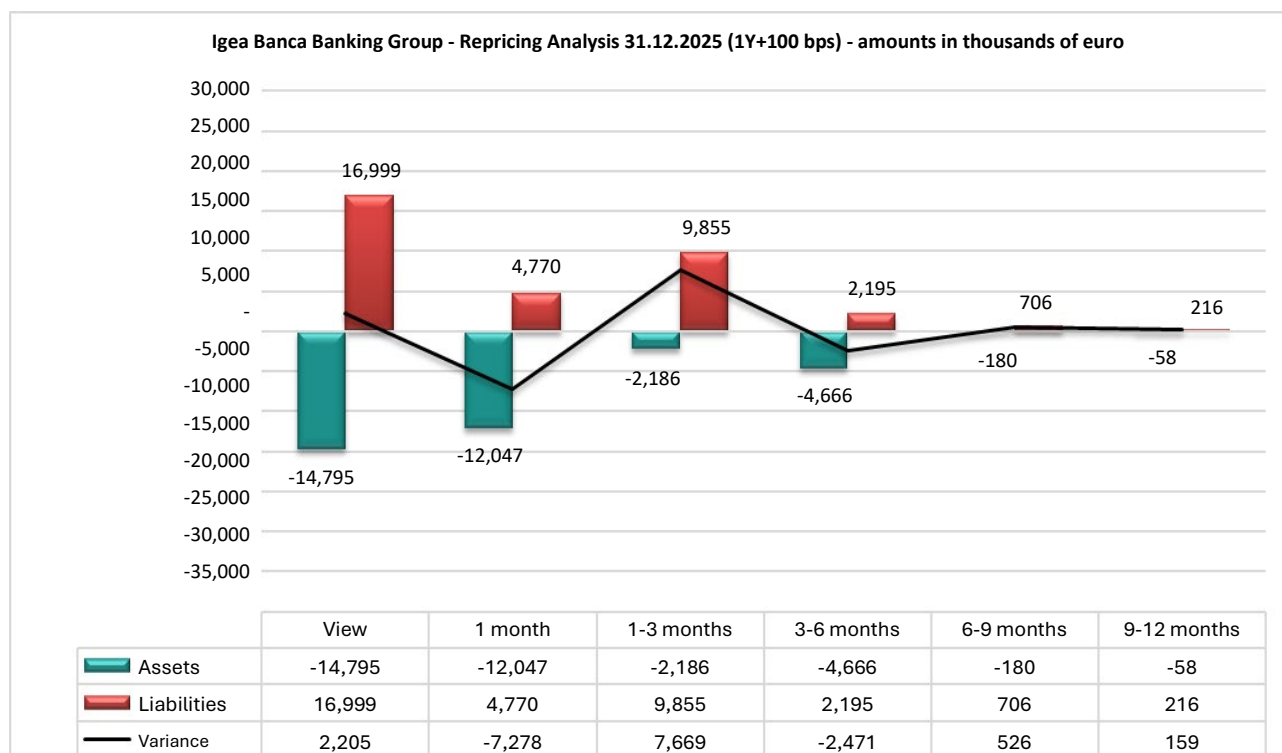
- the maturity date of the instrument, for fixed-rate instruments.

The graph shows the marginal gaps as at 31.12.2025¹¹ 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 2025 would result in a 12-month cumulative change in Net Interest Income of €-1.1 million.

¹¹ 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 2025 would result in a 12-month cumulative change in Net Interest Income of €+0.8 million.

Economic value analysis (*Economic value of equity* - EVE)

The Banking Group calculates interest rate risk exposure on the *banking book* in line with the standardised approach (SA) set out in the Commission Delegated Regulations (EU) and with the provisions contained in Annex C to Bank of Italy Circular No. 285/2013. 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 31.12.2025¹²:

- assuming an interest rate curve shock of +100 bps, the expected change in the economic value of the Banking Group would amount to approximately -€5.2 million (a decrease in economic value, with an impact on Tier 1 capital of 1.7%);
- assuming a shock of -100 bps, the expected change in the Banking Group's economic value would be approximately €2.2m (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:

- *Banca del Fucino SpA*: a +100 bps shock would result in an expected negative impact on the bank's economic value of approximately €-3.3 million (impact on Tier 1 equal to 1%); a -100 bps shock would

¹² M2 signpost data source.

result in an expected positive impact on the bank's economic value of approximately €+2.1 million (against a zero capital absorption).

- *BIAE SpA*: a shock of +100 bps would result in an expected downward impact on the bank's economic value of approximately €0.3 million (impact on Tier 1 of 2.6%); a shock of -100 bps would result in an expected upward impact on the bank's economic value of approximately €+0.3 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 31.12.2025 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	5,133,200	19,317	1,216	101	20	57
A.1 Debt securities	2,074,023	-	-	-	-	-
A.2 Equity securities	33,431	-	-	-	-	-
A.3 Loans to banks	205,574	15,568	1,216	101	20	57
A.4 Loans to customers	2,820,172	3,750	-	-	-	-
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	515,778	-	-	-	-	-
C. Financial liabilities	5,035,354	19,173	1,298	116	43	57
C.1 Payables due to banks	786,147	63	44	78	32	19
C.2 Payables due to customers	4,058,091	19,110	1,254	38	11	38
C.3 Debt securities	191,117	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	134,512	-	-	-	-	-
E. Financial derivatives	-	-	-	-	-	-
- Options	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-
+ Long positions	-	86	-	81	-	-
+ Short positions	-	516	9	80	-	2
Total assets	5,648,979	19,404	1,216	183	20	57
Total liabilities	5,169,866	19,689	1,307	196	43	59
Imbalance (+/-)	479,112	(285)	(91)	(13)	(23)	(2)

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).

Within the scope of this trading business model, the Parent Company has entered into specific framework assignment agreements between the Parent Company, acting as transferor, and corporate entities or financial institutions acting as transferees. 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 is noted that on 24 July 2023 the Bank of Italy issued an update to its clarification note originally published on 5 January 2021 concerning the prudential treatment of tax credits arising from the “Rilancio” and “Cura Italia” Decrees, as subsequently amended and supplemented.

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 2025.



A. Financial derivatives

A.1 Financial derivatives for trading: end-of-period notional values

Underlying Assets/ Types of Derivatives	Total 31/12/2025				Total 31/12/2024			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterpartie s	Without central counterparties			Central counterpartie s	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Debt securities and interest rates	-	-	114,775	-	-	-	79,670	-
a) Options	-	-	114,775	-	-	-	79,670	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equities and equity indices	-	-	11,725	-	-	-	5,818	-
a) Options	-	-	1,725	-	-	-	5,818	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	10,000	-	-	-	-	-
3. Currencies and gold	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Commodities	-	-	-	-	-	-	-	-
5. Others	-	-	227,713	-	-	-	338,998	-
Total	-	-	354,213	-	-	-	424,486	-



A.2 Trading derivatives: gross positive and negative fair value - breakdown by product

Derivative types	Total 31/12/2025				Organised markets	Total 31/12/2024			
	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	-	-	53	-	-	-	191	-	
Total	-	-	53	-	-	-	191	-	
2. Negative fair value									
a) Options	-	-	255	-	-	-	364	-	
b) Interest rate swaps	-	-	-	-	-	-	-	-	
c) Cross currency swaps	-	-	-	-	-	-	-	-	
d) Equity swaps	-	-	-	-	-	-	-	-	
e) Forward	-	-	-	-	-	-	-	-	
f) Futures	-	-	-	-	-	-	-	-	
g) Other	-	-	2,981	-	-	-	3,330	-	
Total	-	-	3,235	-	-	-	3,694	-	

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	114,775	-	-
- positive fair value	X	-	-	-
- negative fair value	X	220	-	-
2) Equity securities and equity indices				
- notional value	X	11,725	-	-
- positive fair value	X	-	-	-
- negative fair value	X	34	-	-
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	956	-	226,757
- positive fair value	X	53	-	-
- negative fair value	X	-	-	2,981
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	114,775	-	-	114,775
A.2 Financial derivatives on equity securities and equity indices	11,725	-	-	11,725
A.3 Financial derivatives on currencies and gold	-	-	-	-
A.4 Financial derivatives on commodities	-	-	-	-
A.5 Other financial derivatives	172,076	55,637	-	227,713
Total 31/12/2025	298,576	55,637	-	354,213
Total 31/12/2024	152,981	271,505	-	424,486

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 31/12/2025				Total 31/12/2024			
	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	-	-	3,940	-	-	-	5,100	-
a) Options	-	-	2,514	-	-	-	3,039	-
b) Swap	-	-	1,426	-	-	-	2,061	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equities 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. Others	-	-	-	-	-	-	-	-
Total	-	-	3,940	-	-	-	5,100	-

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 31/12/2025				Total 31/12/2024				Total	Total
	Over the counter				Over the counter					
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties				
		With netting agreements	Without netting agreements	With netting agreements		Without netting agreements				
31/12/2025	31/12/2024									
Positive fair value										
a) Options	-	-	87	-	-	-	26	-	-	-
b) Interest rate swaps	-	-	-	-	-	-	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	-	-	87	-	-	-	26	-	-	-
Negative fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	-	36	-	-	-	83	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	-	-	36	-	-	-	83	-	-	-

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	3,940	-	-
- positive fair value	X	87	-	-
- negative fair value	X	36	-	-
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	705	1,464	1,772	3,940
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 31/12/2025	705	1,464	1,772	3,940
Total 31/12/2024	666	1,519	2,914	5,100

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			General 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:	2,449	-	-	-	-	-
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	2,449	-	-	-	-	X
1.5 Other	-	-	-	-	-	X
Total 31/12/2025	2,449	-	-	-	-	-
Total 31/12/2024	3,545	-	-	-	-	-
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 31/12/2025	-	-	-	-	-	-
Total 31/12/2024	-	-	-	-	-	-

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	-	118,715	-	-
- positive net fair value	-	87	-	-
- negative net fair value	-	256	-	-
2) Equity securities and equity indices				
- notional value	-	11,725	-	-
- positive net fair value	-	-	-	-
- negative net fair value	-	34	-	-
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	-	956	-	226,757
- positive net fair value	-	53	-	-
- negative net fair value	-	-	-	2,981
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)¹³: 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;

¹³ Implementing Regulation (EU) 2021/451.



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;
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	962,770	14,388	36,169	86,474	274,028	189,392	274,392	1,563,503	1,302,504	51,639
A.1 Government Bonds	481	-	20,922	25,400	11,118	11,680	37,250	466,000	537,000	-
A.2 Other debt securities	8,606	-	29	889	1,825	817	1,199	122,199	58,700	-
A.3 UCITS units	30,197	-	-	-	-	-	-	-	-	-
A.4 Financing	923,487	14,388	15,219	60,185	261,085	176,895	235,943	975,304	706,804	51,639
- Banks	309,261	39	-	-	84,387	13,339	-	78,750	-	51,639
- Customers	614,226	14,349	15,219	60,185	176,699	163,555	235,943	896,554	706,804	-
Cash liabilities	2,810,634	12,121	52,235	744,788	652,723	254,224	288,235	163,952	60,377	(0)
B.1 Deposits and current accounts	2,793,867	12,120	52,123	159,728	536,060	228,116	234,285	15,520	(1,270)	-
- Banks	25,973	-	-	-	83,397	-	-	-	-	-
- Customers	2,767,895	12,120	52,123	159,728	452,664	228,116	234,285	15,520	(1,270)	-
B.2 Debt securities	413	-	94	170	15,878	15,799	26,411	84,361	54,000	-
B.3 Other liabilities	16,354	2	18	584,890	100,784	10,309	27,538	64,070	7,647	(0)
Off-balance-sheet transactions										
C.1 Financial derivatives with capital exchange										
- Long positions	-	609	-	735	36,474	82,601	32,038	106,258	948	-
- Short positions	-	168	-	337	10,315	82,601	32,038	120,572	13,192	-
C.2 Financial derivatives without capital exchange										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	7	1	2	9	15	-	-	-
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	1,975	15,077	-	-	615	-	366	2,539	653	-
A.1 Government Bonds	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 UCITS units	-	-	-	-	-	-	-	-	-	-
A.4 Financing	1,975	15,077	-	-	615	-	366	2,539	653	-
- Banks	1,962	15,077	-	-	-	-	-	-	-	-
- Customers	14	-	-	-	615	-	366	2,539	653	-
Cash liabilities	20,656	-	51	-	-	-	-	-	-	-
B.1 Deposits and current accounts	20,656	-	51	-	-	-	-	-	-	-
- Banks	186	-	51	-	-	-	-	-	-	-
- Customers	20,470	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions										
C.1 Financial derivatives with capital exchange										
- Long positions	-	168	-	-	-	-	-	-	-	-
- Short positions	-	609	-	-	-	-	-	-	-	-
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, as defined in Article 4(1), point 52, of Regulation (EU) No. 575/2013 (CRR), means the risk of losses resulting from inadequate or failed internal processes, people and systems, or from external events, including, inter alia, legal risk, model risk and information and communication technology (ICT) risk, but excluding strategic and reputational risk. Included among losses are: costs relating to legal claims against the Bank, including those connected to impaired credit exposures, where provisions or losses are recognised for amounts exceeding the related receivable; out-of-court settlements not connected to credit recovery activities; and costs relating to legal actions initiated by the Bank to recover losses. With regard to the measurement of the prudential requirement for operational risk, the Bank calculates the capital requirement by applying the measurement methodology set out in Article 313 of the CRR, using the business indicator component (BIC method - *Basic Indicator Component*). The business indicator (BI), expressed in € billion, is calculated in accordance with Article 314 of the CRR as the algebraic sum of the interest, leases and dividends component (ILDC), services component (SC) and financial component (FC).

In line with Articles 322 (“Data completeness, accuracy and quality of loss data”) and 323 (“Operational risk management framework”) of the CRR, alongside determining the own funds requirement for operational risk using the BIC method, the Bank also analyses its exposure to that risk, also using internal/external data on operational losses.

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. The provisions contained in CRR3 are applicable from 1 January 2025, except for measures with differentiated application dates, transitional rules or phased-in forms of application. As regards CRD6, the Directive was transposed into Italian law by Legislative Decree No 208 of 31 December 2025.

Quantitative information

For the calculation of the capital requirement for operational risk, the Group has adopted the so-called Business Indicator Component (BIC) method provided for under the applicable regulatory framework.

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;
- equity instruments;
- retained earnings;
- valuation reserves,

as set out in Part B of this Section.

B. Quantitative information

B1. Consolidated accounting equity: breakdown by type of entity

Equity items	Prudential consolidation	Insurance companies	Other enterprises	Consolidation eliminations and adjustments	Total	Of which attributable to non-controlling interests
1. Share capital	270,367				270,367	20
2. Share premium	53,468				53,468	
3. Reserves	14,992				14,992	
4. Equity instruments	3,140				3,140	
5. (Treasury shares)					-	
6. Valuation reserves:	(1,277)				(1,277)	
- Equity instruments designated at fair value through other comprehensive income	(1,987)				(1,987)	
- Hedges of equity instruments designated at fair value through other comprehensive income						
- Financial assets (other than equity instruments) measured at fair value through other comprehensive income	689				689	
- Property, plant and equipment						
- 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 plans	21				21	
- Shares of valuation reserves of investments in subsidiaries, associates, and joint ventures measured at equity						
- Special revaluation laws						
7. Profit/(Loss) for the period (+/-) attributable to the group and non-controlling interests	3,815				3,815	
Total	344,504				344,504	20

The share capital of Banca del Fucino consists of 157,645,889 ordinary shares with no nominal value, for a total amount of €270,346,566.46 (total capital as referred to in item 1, net of the portion attributable to third parties).

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 and 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	1,750	1,063	-	-	-	-	-	-	1,750	1,063
2. Equity securities	196	2,183	-	-	-	-	-	-	196	2,183
3. Financing	-	-	-	-	-	-	-	-	-	-
Total 31/12/2025	2,904	3,246	-	-	-	-	-	-	2,904	3,246
Total 31/12/2024	11,585	14,571	-	-	-	-	-	-	11,585	14,571

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	(1,072)	(1,914)	-
2. Positive changes	13,628	199	-
2.1 Fair value increases	2,148	-	-
2.2 Value adjustments for credit risk	-	X	-
2.3 Recycling to income statement of negative reserves from proceeds	691	X	-
2.4 Transfers to other equity components (equity securities)	-	199	-
2.5 Other changes	10,789	-	-
3. Negative changes	(11,869)	(273)	-
3.1 Fair value reductions	(215)	(273)	-
3.2 Write-backs for credit risk	(91)	-	-
3.3 Recycling to income statement from positive reserves: from proceeds	(834)	X	-
3.4 Transfers to other equity components (equity securities)	-	-	-
3.5 Other changes	(10,729)	-	-
4. Closing balances	687	(1,987)	-



B.4 Valuation reserves for defined benefit plans: annual changes

Items/Values	Total	
	31/12/2025	31/12/2024
1. Opening balances	(332)	(505)
2. Positive changes	493	245
2.1 Actuarial gains on defined benefit pension plans	493	245
2.2 Other changes	-	-
2.3 Business combination transactions	-	-
3. Negative changes	(139)	(71)
3.1 Actuarial losses to defined benefit pension plans	(5)	(6)
3.2 Other changes	(134)	(65)
3.3 Business combination transactions	-	-
4. Closing balances	23	(332)

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 2025.

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 2025 financial year, there were no business combinations carried out as governed by IFRS 3.

SECTION 3 - RETROSPECTIVE ADJUSTMENTS

During the 2025 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 - RELATED PARTY TRANSACTIONS

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, set out in light of the relevant supervisory provisions (Bank of Italy Circular No. 285/2013, as amended. - Part III, Chapter 11, Section I, as well as the provisions pursuant to Article 136 of Legislative Decree No. 385/1993, govern transactions carried out with related parties, which are executed at market conditions applicable to the specific transactions or aligned with the conditions envisaged for employees - or under specific agreements reserved for particular product types and/or customer segments - and, in any event, on the basis of mutual economic benefit and in compliance with the procedures in force.

It is noted that during 2025, no ordinary transactions of “major significance” were carried out in accordance with the sector regulations.

1. INFORMATION ON REMUNERATION OF KEY MANAGEMENT PERSONNEL

Pursuant to paragraph 16 of IAS 24, the total remuneration paid during 2025 to the members of the Board of Directors, the Board of Statutory Auditors and the Key Management Personnel is shown below.

	Management and Control Bodies	Other Managers
Short-term benefits	2,365	7,626
Post-employment benefits		
Other long-term benefits		
Severance pay		
Payment in shares		
Total	2,365	7,626

2. INFORMATION ON RELATED PARTY TRANSACTIONS

In accordance with IAS 24 and applicable supervisory provisions, the information below, referring to the total amount committed as at 31 December 2025, will be divided into the following macro-categories:

- A. Banking Officers and their connected persons: this section includes Directors, Statutory Auditors and the General Manager;
- B. Key Management Personnel and their connected persons: this category includes individuals who have the power and responsibility, directly or indirectly, for planning, directing and controlling the activities of entities and persons connected to them 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. Shareholders¹⁴ and their connected persons.

The connected persons to the related parties set out above include: companies and enterprises - even if not incorporated as companies - controlled by a Related Party; persons who control a Related Party, or persons under direct or indirect joint control with the same Related Party; close family members of a Related Party¹⁵, companies or enterprises controlled by close family members of a Related Party; an entity in which a Company Officer or one of their close family members exercises control, joint control or significant influence or holds, directly or indirectly, a significant interest, in any case not less than 20% of the voting rights.

The tables below detail the statement of financial position and income statement transactions with related parties.

Igea Banca Banking Group ^[1] [€/thousand]	Loans ^[2]		Collection ^[3]	
	Committed	Utilised	Direct	Indirect
Company Officers	24,800	23,023	34,760	21,958
Key Management Personnel	5,869	5,575	4,067	3,821
Entities subject to significant influence	18,459	15,769	4,530	-
Other assets and commitments to entities subject to significant influence	3,759	3,759	-	-
Total	52,888	48,127	43,357	25,779

^[1] Transactions with "connected parties". 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 subordinated Tier 2 instruments, perpetual bonds (Additional Tier 1) and shares of the Parent Company (excluding amounts attributable to entities of the Banking Group).

¹⁴Pursuant 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.

¹⁵ Close family members include the spouse not legally separated and the cohabitant of the Related Party; children and dependants of the Related Party, the spouse not legally separated or the cohabitant; and relatives up to the second degree of the Related Party.



Income Statement	Company Officers	Key Management Personnel	Entities subject to significant influence	Total
Interest income	1,146	130	747	2,022
Interest expense	(700)	(79)	(0)	(779)
Fee and commission income	158	5	25	188
Fee and commission expense	-	-	-	-
Net Interest Income	603	56	772	1,432
Impairment (losses)/reversals	(478)	(4)	(794)	(1,276)
Personnel expenses	(2,365)	(7,626)	-	(9,992)
Administrative expenses	(28)	(2)	(3)	(32)
Other expenses and income	38	3	38	79
Gains (losses) on equity investments	-	-	(1,957)	(1,957)
Profit/Loss	(2,229)	(7,573)	(1,945)	(11,747)

Impacts arising from related party transactions occurred on terms equivalent to those prevailing in arm's length transactions.¹⁶

¹⁶ IAS 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 two distinct segments:

- Commercial banking;
- Finance and treasury.

Commercial Banking also includes the business lines serving customers managed by the Health & Pharma division and the Private Banking division. Given the ongoing transformation process for BIAE, the “Digital” sector is included, in 2025, within Commercial Banking. The figures as at 31 December 2024 have been restated for comparability.

Following the dissolution of the Investment Banking Division in July 2024, the reallocation of the Factoring and Tax Credits Department to the Corporate Division (within Commercial Banking) was approved. The Finance and Treasury segment therefore includes Finance, Treasury and Alternative Funding activities.

The Corporate Centre includes costs, revenues, assets and liabilities that cannot be directly attributed to the Commercial Banking and Finance and Treasury segments.

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 2025, 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.

The methods adopted by Management for taking operational decisions are, in any case, consistent with the operating segments identified and are based on detailed internal reporting, used both for resource allocation among the different segments and for the analysis of their respective performance.

The following tables provide detailed financial and economic data broken down by segment as at 31 December 2025, compared with the corresponding figures for the previous financial year.

Income Statement Figures

(€ thousands)	31/12/2025				31/12/2024			
Sector	Commercial Banking	Finance and treasury	Corporate centre	Total	Commercial Banking	Finance and treasury	Corporate centre	Total
Net Interest Income	85,055	10,418	215	95,687	75,420	11,658	242	87,319
Net fees and commissions	29,562	595	334	29,823	25,821	657	(332)	26,146
Dividends	-	1,149	-	1,149	-	1,084	-	1,084
Net income from financial operations	22,484	14,372	0	36,856	31,285	6,479	-	37,764
Net Interest Income	137,100	26,533	(119)	163,515	132,526	19,878	(90)	152,314
Net impairment losses/reversals	(31,483)	(4,216)	0	(35,699)	(57,639)	(19,094)	0	(76,733)
Result of financial operations	105,617	22,317	(119)	127,816	74,887	784	(90)	75,581
Administrative expenses	(80,776)	(5,676)	(32,085)	(118,537)	(82,944)	(5,828)	(32,947)	(121,719)
Net provisions for risks and charges	(1,520)	-	(473)	(1,993)	(3,502)	-	-	(3,502)
Other income (expenses)	13,218	(55)	2,581	15,745	17,182	1,471	(184)	18,468
Depreciation and amortisation of tangible and intangible assets	(9,753)	-	(1,281)	(11,034)	(9,243)	-	(1,535)	(10,778)
Operating costs	(78,831)	(5,731)	(31,257)	(115,819)	(78,507)	(4,358)	(34,666)	(117,531)
Gains/(losses) from contractual modifications without derecognition	(0)	-	-	(0)	-	-	(0)	(0)
Profit/(loss) from investments and equity interests	0	-	(1,957)	(1,957)	(3)	-	50,420	50,417
Gross operating profit/(loss)	26,786	16,587	(33,333)	10,040	(3,623)	(3,574)	15,665	8,467
Income taxes	(48)	-	(6,176)	(6,224)	(316)	-	2,124	1,809
Net profit/(loss)	26,737	16,587	(39,509)	3,815	(3,939)	(3,574)	17,789	10,276
Net profit/(loss) attributable to the parent company	26,737	16,587	(39,509)	3,815	(3,939)	(3,574)	17,789	10,276
Net profit/(loss) attributable to non-controlling interests	-	-	-	-	-	-	-	-

Balance Sheet Data

(€ thousands)	31/12/2025				31/12/2024			
Sector	Commercial Banking	Finance and treasury	Corporate centre	Total	Commercial Banking	Finance and treasury	Corporate centre	Total
Loans to customers	2,817,633	767,135	-	3,584,768	2,587,559	644,602	-	3,232,161
Loans to customers	2,817,633	-	-	2,817,633	2,587,559	-	-	2,587,559
Debt securities	-	767,135	-	767,135	-	644,602	-	644,602
of which ABS	-	138,676	-	138,676	-	144,962	-	144,962
Direct funding	3,932,226	294,228	-	4,226,454	3,592,974	274,183	-	3,867,157
of which own securitisations	-	85,290	-	85,290	-	52,063	-	52,063
Equity investments	-	-	85,859	85,859	-	-	78,648	78,648

PART M
“LEASES DISCLOSURE”

PART M - LEASES DISCLOSURE

This section of the notes provides all additional qualitative and quantitative information required by the international accounting standard IFRS 16 that is not included in other sections of the notes. Section 1 is reserved for information to be provided by lessees, while section 2 is reserved for information to be provided by lessors.

SECTION 1 - LESSEE

Qualitative information

In accordance with the supervisory provisions set out in Bank of Italy Circular 262/2005 (8th update), this section provides the information required by paragraphs 59 and 60 of IFRS 16.

At 31 December 2025, the Group has leases in place relating to real estate and movable assets or registered movable assets.

The number of contracts at the reporting date of these financial statements is 148, of which:

- a) 96 relate to real estate;
- b) 50 relate to cars;
- c) 2 relate to office equipment;

The real estate leases referred to in point a) relate to buildings leased by the Group's banks and in particular no. 54 are for operational use and no. 42 are intended for staff accommodation use. The above contracts provide for renewal at maturity.

The leases referred to in point b) relate to cars hired by the Bank and made available to branches and staff.

The leases referred to in point c) relate to office equipment located in the various premises of the Group's banks.

For the purpose of determining the lease term, the Group considers 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 arising from the Group's exercise of the renewal option where this is reasonably certain. Where tacit renewal is provided for, the lease term is determined by considering various elements such as the length of the first lease period, the existence of any business plans to dispose of the leased asset and any other circumstances indicating that renewal is reasonably certain.

As already indicated in Part A of these annual financial statements, the Group has applied the exemptions permitted by IFRS 16 for short-term leases, i.e. with a term of 12 months or less, or for lease contracts that relate to low-value assets, i.e. €5,000 or less.

Quantitative information

In accordance with the supervisory provisions set out in Bank of Italy Circular 262/2005 (8th update), this section should refer to the tables in the notes that contain references to lease transactions accounted for in accordance with IFRS 16.

In this regard, it should be noted that Part A of the notes provides all information relating to the operational choices made by the Bank for the correct accounting of right-of-use assets and the related liability.

Part B of the notes, in particular Table 9.1 of the Assets section “Owner-occupied property, plant and equipment: composition of assets measured at cost”, provides information on right-of-use assets acquired through lease transactions. The related liabilities were recognised under liabilities in the balance sheet and were disclosed separately from other debts, again in Part B of the notes, in Table 1.2 of the Liabilities section “Financial liabilities measured at amortised cost: breakdown of amounts due to customers by product”. Against right-of-use assets of €22.4 million, lease liabilities accounted for in accordance with IFRS 16 amount to €22.8 million.

Part C of the notes contains information on the interest expense accrued on the above liabilities. At 31 December 2025, such interest amounted to €250 thousand.

At the reporting date of the financial statements, there were no sublease contracts in place.

At 31 December 2025, there were no commitments for leases not yet entered into.

There is no further information worthy of mention beyond that already provided in this section.

SECTION 2 - LESSOR

At 31 December 2025, there were no contracts in place in which the Bank is a lessor.



APPENDICES

PUBLIC DISCLOSURE ON A
COUNTRY-BY-COUNTRY BASIS
("COUNTRY-BY-COUNTRY REPORTING")



COUNTRY-BY-COUNTRY REPORTING

COUNTRY-BY-COUNTRY PUBLIC REPORTING

(COUNTRY-BY-COUNTRY REPORTING)

AS AT 31 DECEMBER 2025

With reference to the requirements set out in Circular No. 285, “Supervisory Provisions for Banks”, issued on 17 December 2013 and subsequent updates, concerning country-by-country public disclosure introduced by Article 89 of Directive 2013/36/EU (“CRD IV”), the information identified by letters (a), (b), (c), (d), (e) and (f) of Annex A to Part One, Title III, Chapter 2 is presented below, with reference to the position of the Banking Group as at 31 December 2025.¹⁷

Information / Geographical area	Italy
a) Name and nature of activity	<u>Entity name:</u> Igea Banca Banking Group <u>Registered office:</u> Rome, Via Tomacelli, 107 Entered under no. 5640 in the Register of Banks, ABI code no. 03124 <u>Share capital:</u> €270,346,567 (fully paid up) <u>Registration number in the Rome Companies Register:</u> no. 1458105 <u>Tax Code and VAT number:</u> 04256050875 <u>Activity:</u> banking activity involving the collection of savings from the public and the granting of credit in its various forms. In particular, the Group conducts its lending activities with a customer base primarily consisting of individuals and professionals, across their various segments, as well as small and medium-sized enterprises that form the core of the economic fabric of the Bank’s local markets. It may, in compliance with the applicable provisions, carry out 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 purposes, the Group may enter into agreements and understandings with other companies.
b) Turnover¹⁸	€163,515,008
c) Number of employees on a full-time equivalent basis¹⁹	587
d) Profit or loss before tax²⁰	Profit €10,039,576
e) Taxes on profit or loss²¹	€(6,224,445)
f) Public contributions received²²	No grants or contributions were received from Public Authorities by the Group’s companies.

¹⁷ The data presented refer to the financial statements as at 31 December 2025, covering the reporting period from 1 January 2025 to 31 December 2025, and subject to audit by PwC S.p.A.

¹⁸ “Turnover” means “Net interest income and other operating income” as per item 120 of the income statement referred to in Bank of Italy Circular 262.

¹⁹ “Number of employees on a full-time equivalent basis” means the ratio between the total number of hours worked by all employees, excluding overtime, and the annual total contractually envisaged for a full-time employee.

²⁰ “Profit or loss before tax” means the sum of items 290 and 320 (the latter gross of tax) of the income statement referred to in Bank of Italy Circular No. 262.

²¹ “Taxes on profit or loss” means the sum of the taxes in item 300 of the income statement referred to in Bank of Italy Circular No. 262 and the income taxes relating to groups of assets held for disposal.

²² Under “Public contributions received”, contributions received directly from Public Administrations must be indicated. This item does not include transactions carried out by central banks for financial stability purposes or transactions aimed at facilitating the transmission mechanism of monetary policy. Similarly, any transactions falling within State aid schemes approved by the European Commission must 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 39/2010 and article 10 of Regulation (EU) 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 Igea Banca group (the "Group"), which comprise the consolidated balance sheet as of 31 December 2025, the consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated shareholders' equity, the 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 2025, 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 43 of Legislative Decree 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

PricewaterhouseCoopers SpA

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audit of the consolidated financial statements” section of this report. We are independent of Banca del Fucino SpA (the “Bank”) 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.

Key audit matters	Auditing procedures performed in response to key audit matters
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 the Consolidated Balance Sheet, section 4 of the assets Part C – Information on the Consolidated Income Statement, 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 3,584 million and represented about 65 per cent of the total assets in the consolidated financial statements. Of this amount, Euro 2,817 million referred to loans to customers, while Euro 767 million were related to debt securities including senior Asset-Backed Securities (ABS) for Euro 139 million. Net adjustments recognised in the year for the	In performing 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 procedures, 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; • understanding and verification of the appropriateness of the policies, procedures

Key audit matters	Auditing procedures performed in response to key audit matters
loans under analysis, amounted to Euro 36 million and represented the best estimate developed 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 degree of complexity and of judgment, 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 calculation of 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. During financial year 2025, 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. Given the significance of the book value of these loans, as well as the complexity of the estimation processes and of the significant judgment elements therein, we considered the assessment of these loans as a key matter in our audit work.	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 applied; • verification of the completeness and accuracy of the data bases used for ECL calculation purposes; • verification, on a sample basis, with reference to the 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, on a sample basis, with reference to the loans valued on an individual basis, of the reasonableness of the classification among the various categories provided for by the applicable legislative and regulatory framework, also on the basis of the various information about the debtor's status, including external

Key audit matters	Auditing procedures performed in response to key audit matters
	information. Additionally, we performed analyses on the assumptions developed with particular regard to 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; • comparative analysis procedures for 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 valuation of the same pursuant to IFRS 9; • perusal of the corporate bodies' minutes and of the correspondence with the Supervisory Authorities; • 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 applicable regulatory framework, as well as to the communications issued by the Supervisory Authorities.
Assessment of the recoverability of the book value of investments in companies operating in the renewable energy sector Notes to the Consolidated Financial Statements Part A – Accounting policies	In performing our audit, we took into consideration the internal control system relevant to the preparation of the consolidated financial statements.

Key audit matters	Auditing procedures performed in response to key audit matters
Part B - Information on the Consolidated Balance Sheet, section 7 of the assets Part C - Information on the Consolidated Income Statement, section 15 The Group recognised as at 31 December 2025 investments in associated companies operating in the renewable energy sector, for an amount of Euro 75.8 million, equal to 1.4 per cent of total assets. These investments are valued at equity and when there are indicators that lead to assume the existence of impairment losses, the recoverability of the book value of investments is verified by comparing such value with the investments' recoverable amount, in accordance with IAS 36 "Impairment of assets". The directors have estimated the recoverable value of each investment also with the support of an external independent expert through an impairment test, which is based on complex methodologies and on the use of information, parameters and assumptions specific to the business sector of the investee companies characterised by a high degree of subjectivity and professional judgement, with particular reference to the expected cash flows. Due to the above-described factors, the estimation processes have a high degree of complexity and subjectivity. Because of the reasons set out above and the materiality of the line-item, we considered the recoverability of the carrying amount of investments in companies operating in the renewable energy sector as a key matter in the audit of the consolidated financial statements at 31 December 2025.	In particular, in order to address this key audit matter, we performed the following main procedures also with the support of the PwC network experts: • understanding and evaluation of the process and methodology adopted by the Group to perform the impairment test of each investment; • verification of the consistency of the valuation methodology adopted with the provisions of the applicable international accounting standards, taking into account the sector valuation practices; • verification of the reasonableness of the projected data, the main assumptions and the quantitative parameters used to estimate the recoverable value, also through comparison with external data, where available; • analysis of documentary evidence for certain quantitative information used to estimate the recoverable value; • verification of the accuracy of mathematical calculations underlying the valuation models used to determine expected cash flows and correctness thereof; • perusal of the corporate bodies' minutes and of the correspondence with the Supervisory Authorities; • 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 applicable regulatory framework.

Key audit matters	Auditing procedures performed in response to key audit matters
Fair value measurement of the tax credits acquired for resale 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 Income Statement, section 4 The tax credits acquired for resale, in implementing the special tax measures set down in the “Relaunch Decree” (<i>Decreto Rilancio</i>), represent considerable assets for the Group. As at 31 December 2025, these credits, recognised in line-item 130 “Other Assets”, showed a balance equal to Euro 206 million, accounting for about 4 per cent of the assets in the consolidated financial statements. The tax credits under analysis are classified in the trading portfolio 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 2025.	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, evaluation and testing of the operating effectiveness of relevant controls over the IT systems and applications utilised; • understanding and evaluation of the design of relevant controls with reference to the purchase, classification and measurement of tax credits and testing of the operating effectiveness of such controls; • analysis of the methods used for the purpose of the fair value determination process of tax credits, as well as of the methods to determine significant assumptions and the input data required; • understanding of 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 of 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;

Key audit matters	Auditing procedures performed in response to key audit matters
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 Income Statement, section 21 At 31 December 2025, the line-item 110 b) “Tax assets – deferred” included deferred tax assets (“DTAs”) for an amount equal to about Euro 47 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 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.	- testing of 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. 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 evaluation of the process and methodology adopted by the directors to perform the probability test; - verification of 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; - assessment of the reasonability of the main qualitative and quantitative assumptions adopted to prepare the probability test, on the basis of the applicable tax regulations; - analysis of the reasonability of the assumptions adopted by the Parent Company and by the Group companies in preparing forecast data; - verification of the consistency of forecast data with the future taxable profits

Key audit matters	Auditing procedures performed in response to key audit matters
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 2025.	underlying the probability test; • verification of the accuracy of the mathematical calculations underlying the probability test and the correctness thereof; • testing of 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.

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 43 of Legislative Decree 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 the parent company 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) 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 Bank'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) 537/2014 and that we remained independent of the Bank 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 39/2010

The directors of Banca del Fucino SpA are responsible for preparing a report on consolidated operations of Igea Banca group as of 31 December 2025, 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) 720B in order to:

- express an opinion on the consistency of the directors' report on consolidated operations with the consolidated financial statements;
- express an opinion on the compliance with the law of the directors' report on consolidated operations, excluding the section on the consolidated sustainability reporting;
- issue a statement on material misstatements, if any, in the directors' report on consolidated operations.

In our opinion, the directors' report on consolidated operations is consistent with the consolidated financial statements of Igea Banca group as of 31 December 2025.

Moreover, in our opinion, the directors' report on consolidated 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 39/2010, issued on the basis of our knowledge and understanding of the Bank 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 directors' report on consolidated 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) 852/2020 are expressed by ourselves in the report prepared in accordance with article 14-bis of Legislative Decree 39/2010.

Milan, 14 April 2026

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.



AUDITOR'S REPORT ON THE SUSTAINABILITY STATEMENT



Independent auditor's limited assurance report on the consolidated sustainability reporting in accordance with article 14-bis of Legislative Decree 39/2010

To the Shareholders of

Banca del Fucino SpA

Conclusion

In accordance with article 8 of Legislative Decree 125/2024 (the "Decree"), we have undertaken a limited assurance engagement on the consolidated sustainability reporting of the Igea Banca group (the "Group") for the year ended 31 December 2025 prepared in accordance with article 4 of the Decree, presented in the specific section of the directors' report on consolidated operations.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability reporting of the Igea Banca group for the year ended 31 December 2025 is not prepared, in all material respects, in accordance with the reporting criteria adopted by the European Commission pursuant to Directive (EU) 2013/34/EU ("European Sustainability Reporting Standards", also the "ESRS");
- the information set out in paragraph "2.1. The European Taxonomy of Environmentally Sustainable Activities - Disclosure pursuant to Article 8 of Regulation 2020/852 (EU Taxonomy Regulation)" the consolidated sustainability reporting is not prepared, in all material respects, in accordance with article 8 of Regulation (EU) 852/2020 (the "Taxonomy Regulation").

PricewaterhouseCoopers SpA

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Basis for conclusion

We conducted our limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under this standard are further described in the “Auditor’s responsibilities for the limited assurance conclusion on the consolidated sustainability reporting” section of this report.

We are independent in accordance with the principles of ethics and independence applicable to assurance engagements on consolidated sustainability statements under Italian law.

Our firm applies International Standard on Quality Management 1 (ISQM Italia 1), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the directors and the board of statutory auditors of Banca del Fucino SpA for the consolidated sustainability reporting

The directors are responsible for developing and implementing the procedures adopted to identify the information included in the consolidated sustainability reporting in accordance with the provisions of the ESRS (the “materiality assessment process”) and for describing those procedures in paragraph “1.4.1. Description of the processes to identify and assess material impacts, risks and opportunities” of the consolidated sustainability reporting.

The directors are also responsible for preparing the consolidated sustainability reporting, which contains the information identified through the materiality assessment process, in accordance with the provisions of article 4 of the Decree, including:

- its compliance with the ESRS;
- its compliance with article 8 of the Taxonomy Regulation of the information set out in paragraph “2.1. The European Taxonomy of Environmentally Sustainable Activities - Disclosure pursuant to Article 8 of Regulation 2020/852 (EU Taxonomy Regulation)”.

That responsibility involves designing, implementing and maintaining, in the terms prescribed by law, such internal control as they determine is necessary to enable the preparation of a consolidated sustainability reporting in accordance with article 4 of the Decree that is free from material misstatement, whether due to fraud or error. That responsibility also involves selecting and applying appropriate methods for processing the information, as well as developing hypotheses and estimates about specific items of sustainability information that are reasonable in the circumstances.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

Inherent limitations in the preparation of the consolidated sustainability reporting

As indicated in paragraph “1.1.2. Disclosures in relation to specific circumstances” of Section 1. “General Information” for the purpose of reporting forward-looking information in accordance with ESRS, the directors are required to prepare such information on the basis of assumptions, described in the consolidated sustainability reporting, about future events and possible future actions by the Group. Because of the uncertainty connected with any future event, in terms both of occurrence and of the extent and timing of occurrence, variances between actual results and forward-looking information may be significant.

Auditor's responsibilities for the limited assurance conclusion on the consolidated sustainability reporting

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability reporting is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that contains our conclusion. 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 decisions of users taken on the basis of the consolidated sustainability reporting.

As part of our engagement designed to achieve limited assurance in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia), we exercised professional judgement and maintained professional scepticism throughout the engagement.

Our responsibilities include:

- Performing risk assessment procedures to identify the disclosures where a material misstatement, whether due to fraud or error, is likely to arise.
- Designing and performing procedures to verify the disclosures where a material misstatement is likely to arise. 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.
- Directing, supervising and performing a limited assurance engagement on the consolidated sustainability reporting and assuming full responsibility for the conclusion on the consolidated sustainability reporting.

Summary of the work performed

An engagement designed to obtain limited assurance involves performing procedures to obtain evidence as a basis for our conclusion.

The procedures performed were based on our professional judgement and included inquiries,

primarily of personnel of Banca del Fucino SpA responsible for the preparation of the information presented in the consolidated sustainability reporting, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

We performed the following main procedures:

- We understood the Group's business model and strategies, and the environment in which it operates with reference to sustainability issues.
- We understood the processes underlying the generation, collection and management of the qualitative and quantitative information included in the consolidated sustainability reporting.
- We understood the process implemented by the Group to identify and assess the material impacts, risks and opportunities, in accordance with the double materiality principle, related to sustainability issues and, based on the information thus obtained, we considered whether any contradictory items emerged that could point to the existence of sustainability issues not considered by the Company in the materiality assessment process.
- We identified the disclosures where a material misstatement is likely to arise.
- We defined and performed procedures, based on our professional judgement, to address the risks of material misstatement identified.
- We understood the process implemented by the Group to identify the eligible exposures and to determine whether they are aligned in accordance with the provisions of the Taxonomy Regulation, and we verified the related disclosures in the consolidated sustainability reporting.
- We reconciled the information reported in the consolidated sustainability reporting with the information reported in the consolidated financial statements in accordance with the applicable financial reporting framework, or with the accounting information used for the preparation of the consolidated financial statements, or with management accounting information.
- We verified the structure and presentation of disclosures included in the consolidated sustainability reporting in accordance with the ESRS.

- We obtained management's representation letter.

Milan, 14 April 2026

PricewaterhouseCoopers SpA

Signed by

Pasquale Tuccillo

(Partner)

This 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.



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