GRUPPO BANCARIO CAMBIANO
BANCA • IMMOBILIARE • LEASING

Annual Financial Report 2024

Banca Cambiano 1884 S.p.A.
Registered office and Office: Viale Antonio Gramsci, 34 - 50132 Florence
Operating Office: Via Piave, 14 - 50051 Castelfiorentino (Fi)
Registered in the Bank of Italy's Register of Banks under No. 5667
ABI Code 08425
Share Capital€ 252,799,999.60 i.v.
Florence Register of Companies, Tax Code and V.A.T. Number: 02599341209
HER code: 8156007395B20763EB44
Parent company of the Cambiano Banking
Group registered under no. 238 in the
Banking Group Register
Member of the Interbank Deposit Protection Fund and the National Guarantee Fund

Cover: Tancredi Parmeggiani, "Ciclo dei diari paesani", 1961, tempera and collage on canvas 140 x 120 cm, Bank Collection, exhibited at the "Centro Culturale Cambio", Castelfiorentino (Fi)

INDEX

SOCIAL OFFICES

Board of Directors	
President	Paolo Regini (3)
Vice President	Enzo Anselmi (1)
Councillor	Mauro Bagni (1)
Councillor	Fausto Falorni
Councillor	Sara Lombardi (2)) ((3))
Councillor	Giuseppe Salvi (1)
Councillor	Francesca Vignolini (2)) ((4))
(1) Member of the Executive Committee (2) Independent Director (3) Member of the Risk Committee (4) Chairman of the Risk Committee	
Board of Auditors	
President	Gaetano De Gregorio
Statutory Auditor	Riccardo Passeri
Statutory Auditor	Manuela Sodini
Alternate Auditor	Luca Quercioli
Alternate Auditor	Enrico Terzani
General Management	
General Manager	Francesco Bosio
Deputy General Manager	Bruno Chiecchio
Deputy Director General	Federica Paoletti
Auditing companies	
	Deloitte C Touche S.p.A.

NOTICE OF MEETING

BANCA CAMBIANO 1884 S.P.A.

Registered office: viale Antonio Gramsci, 34 - 50132 Florence (FI), Italy
Share Capital: Euro 252,799,999.60 fully paid-in Company Register: Florence
R.E.A.: 648868
Fiscal Code: 02599341209
VAT number: 02599341209

Calling an Ordinary General Meeting

The Shareholders are hereby called to the Shareholders' Meeting in first call on 30 April 2025, at 5:00 p.m., and, if necessary, in second call on 7 May 2025, at 11:00 a.m., at the registered office in Florence, Viale Antonio Gramsci No. 34, to discuss and resolve on the following agenda:

1. Approval of the annual financial statements as at 31 December 2024, after examination of the Board of Directors' report on operations, the report of the Board of Statutory Auditors, and the report of the Board of Auditors.

and the report of the statutory auditors. Allocation profit for the financial year 2024. Related and consequent resolutions;

2. Presentation of the consolidated financial statements of the Ban- cario Cambiano Group as at 31 December 2024 and the auditors' report;

3. Remuneration and incentive policies of the Cambiano Banking Group:

(i) Annual Report on Remuneration and Incentive Policies for the year 2024;

(ii) Approval of the remuneration and incentive policies for the year 2025.

Warnings

Please note that:

a) Pursuant to Art. 11 of the Articles of Association and the Shareholders' Meeting Regulations, a shareholder may be represented by another shareholder who is not a director, statutory auditor or employee of the Company, by means of a written proxy, containing the name of the representative and in which the signature of the delegating party is authenticated by the chairman, directors or employees of the Company delegated by the Board of Directors, a notary public or other public official authorised by law; the Board of Directors has delegated the authentication of the delegating party's signature to all the members of the General Management and the Branch Managers; the proxy may also be in the form of an electronically signed document in accordance with current legislation and notified to the Company at the secret e-mail address ria.societaria@bancacambiano.it. Each shareholder may not receive more than 15 proxies;

b) Shareholders who do not have their shares on deposit with the Bank and intend to participate in the shareholders' meeting (also for the purposes of the requirements set forth in the third paragraph of Article 2370 of the Italian Civil Code) must, at least two days prior to the date set for the meeting, deposit at the registered office the document proving their entitlement to participate and vote in the meeting; the shares may not be withdrawn before the end of meeting.

Florence, 28 March 2025

The Chairman of the Board of Directors
Paolo Regini

TX25AA4042 (Chargeable).

CONSOLIDATED FINANCIAL STATEMENTS

GRUPPO BANCARIO CAMBIANO
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CONSOLIDATED ANNUAL REPORT

Ideas, not money, are the driving force behind economic progress

John Maynard Keynes

Introduction

Considerations on the performance of the Cambiano Banking Group during the financial year 2024 are set out below.

Banca Cambiano 1884 S.p.a. constitutes the parent company and main *asset* of the Banking Group, as well as the structure where the Governance and Control functions are hinged. Banca Cambiano prepares a single file called the "Annual Financial Report" which includes the Consolidated Financial Statements of the "Cambiano Banking Group" and the Company's Financial Statements consisting of the individual financial statements of Banca Cambiano 1884 S.p.A. For this reason, the illustration of the main events and qualitative aspects of management that characterised the year ended 31 December 2024 are contained in the Consolidated Management Report.

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2024 was an intense and challenging year that saw the Bank record positive results to continue along the path undertaken in recent years to improve asset quality, streamline processes and the business model in order to achieve sufficient levels of profitability and capitalisation to allow it to play the role of an independent bank located in Tuscany, but with branches in other Italian cities.

The Bank faces the new 2025-2029 Industrial Plan with solid foundations and a clear strategic direction: to continue to grow in order to create even more value for the benefit of the territory; to continue with the digitalisation and integration of customer services; and to give greater impetus to its activities in support of social welfare in order to increase its positive impact on the territory.

Economic scenario: scenario, national and international, national and local

For the eurozone, the second half of 2024 brought many disappointments. The year just ended had started auspiciously, thanks to the fall in inflation and the consequent phase of lower interest rates. In the second half of the year, however, the economy remained weak: the first national accounts estimates showed zero GDP growth for the entire area; among the largest economies, Germany and France recorded slight contractions, while in Italy the change was zero, for the second quarter in a row. Once again, Spain showed a result that was out of line with the other major countries, with a GDP increase of 0.8 per cent.

The available information suggests that the picture is, however, marked overall by stagnating exports, and a protracted weakness in investments, against some initial recovery in household consumption, which is benefiting from the return of inflation.

The weakness of the end-of-year data also has implications for growth prospects in 2025, partly due to a simple statistical effect, linked to so-called 'drag', but also in more substantial respects, as the problems that marked 2024 do not seem to have been overcome on the basis of early 2025 trends.

In recent months the economic scenarios have therefore started to incorporate revisions compared to the estimates prevailing until last autumn. In particular, one can observe a revision of the forecasts in a worsening direction especially for those economies that already presented a more unfavourable picture, such as Germany and Italy. In Germany, the government's forecasts made last autumn (+0.3 per cent change in GDP in 2023 2 +1 per cent in 2024) did not hold up for a season: in January the IMF indicated a change of -0.2 and +0.3 per cent respectively in the two years. For Italy, the programme framework indicated growth of 1 and 1.2 per cent over the two years, while the latest IMF forecasts indicate growth of 0.6 and 0.7 per cent respectively.

The fact that with each passing month the data reaffirmed and accentuated the growth differentials between European countries means that in just two years the relative income levels of European economies would change substantially: suffice it to consider that according to the IMF scenario Germany accumulate zero growth in 2024-25, while Spain would grow by more than 5 per cent in two years.

Qu these differentials, moreover, may even be more pronounced, considering that the most recent data do not show a reversal of the trend. Rather, the latest data seem to indicate that 2025 started off by reaffirming the difficulties that had marked the second half of 2024.

Figure 1 - Economic growth forecasts

LE PREVISIONI DI CRESCITA DEI GOVERNI EUROPEI E DEI MAGGIORI ORGANISMI INTERNAZIONALI

	Governo Psbmt, Dbp	Commissione Ue	Ocse	Banca centrale	Imf
	set '24	nov '24	dic '24	dic '24	gen '25
			Pil 2024		
Germania	0.3	-0.1	0.0	-0.2	-0.2
Francia	1.1	1.1	1.1	1.1	1.1
Italia	1.0	0.7	0.5	0.5	0.6
Spagna	2.7	3.0	3.0	3.1	3.1
Area euto		0.8	0.8	0.7	0.8
			Pil 2025		
Germania	1.0	0.7	0.7	0.2	0.3
Francia	1.1	0.8	0.9	0.8	0.8
Italia	1.2	1.0	0.9	0.8	0.7
Spagna	2.4	2.3	2.3	2.5	2.3
Area euto		1.3	1.3	1.1	1.0

Internationally, with the start of the new US administration, the topic of tariff barriers has gained decisive weight. The first measures go in a heavy-handed direction, and it is not easy to determine whether this is a strategy of announcements that will be followed by proportionate actions, or whether instead the tone is a way of initiating negotiations, as well as a way of conveying to the electorate the impression of having achieved what was anticipated in the election campaign. On the whole, the announcements in recent weeks have included very different versions. Of course, what makes the issue of tariff barriers particularly relevant is precisely the extent of the measures announced, together with the prominence of the US within international trade flows: the most extreme hypotheses could have disruptive effects, not least because they would most likely trigger retaliation in response to US tariffs. Although the markets' initial reaction to Trump's announcements went in the direction of an appreciation of the dollar's exchange rate, this trend has softened over the past few weeks, since the expectation of a 'soft' version of the initial declarations began to prevail. The US currency has indeed stopped appreciating, while US long rates have stabilised, despite the Fed's pause in the path of interest rate cuts.

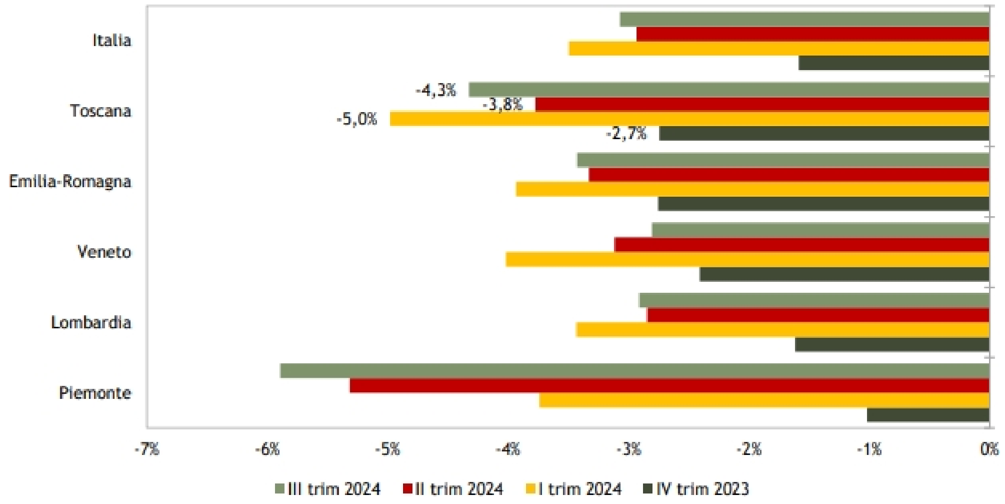
However, the picture remains very uncertain, not least because the friction between the US and other countries extends across the entire spectrum of international relations at this stage, not least in the light of the change in the US policy line on the issue of the conflict in Ukraine.

With reference to the Region of Tuscany, the economic cycle retains an expansive tone, but slows down compared to the post-pandemic rebound. Influencing the loss of momentum in economic activity is the persistent weakness industry, whose production is struggling to reverse the negative sign, particularly the fashion sector. Especially tanning, leather goods and footwear sectors are affected by the drop in production, added value, profits and finally also wages. Services are driven by foreign tourism, especially non-European tourism, whose attendance continues to grow. Exports are also increasing, in contrast with what is observed in Italy and the main exporting regions, although the expansionary dynamics are not across all sectors. The weakness of growth is almost entirely attributable to sluggish domestic demand: consumption has been held back by the inadequate recovery of purchasing power of incomes. Inflation is in fact receding, but still not entirely dormant, while nominal wage growth is far too timid. On the stimulus front, the contribution of public spending in 2024 is null, or almost nil, alongside the stagnation of investments, which is the result of contradictory thrusts: the positive ones coming from the National Recovery and Resilience Plan (PNRR) are contrasted negatively by the exhaustion of building concessions and the worsening expectations of businesses. Overall in 2024 Tuscany, for the

Combined with these trends, it is expected to grow at a rate (+0.6%) marginally higher than the national figure (+0.5%), but slightly lower than was expected before the summer.

During 2024, the decline in industrial production, which had already become evident in the last quarter of 2022 and continued uninterruptedly throughout 2023, continued. In the third quarter of 2024, industrial production in Tuscany remained in negative territory, as in all the main regions (Figure 2). Contributing to a worse trend than the national average for Tuscany was the continuing decline in production in the fashion sector.

Figure 2 - Industrial production in Italy and main regions. Trend % change (Irpet on Istat data)



Evolution and Composition of the Group and Scope of Consolidation

The Parent Company, which is the Bank Italy's point of contact for supervisory purposes, carries out policy-making, unitary management and coordination activities for its direct or indirect subsidiaries and issues, in particular, instructions to Group companies, including for the execution of instructions issued by the Bank of Italy in the interest of the Group's stability.

In this framework, strategic control over the various operational areas and management control aimed at ensuring that the economic, financial and equity balance of the individual companies and the Banking Group as a whole is maintained are importance.

Banca Cambiano 1884 S.p.A., in its capacity as Parent Company of the Cambiano Banking Group registered in the special register under No. 238, is obliged to prepare consolidated financial statements for the considerations set out below.

The Cambiano Banking Group is required to prepare consolidated financial statements pursuant to Article 38 paragraph 1) of Legislative Decree 136/2015, which establishes the obligation to prepare consolidated *financial statements* for *"IFRS intermediaries who control a banking, SIM or financial group and who are not themselves controlled by intermediaries required to consolidated financial statements pursuant to this article"*.

Banca Cambiano, as Parent Company, is controlled by Ente Cambiano Scpa, which is not an IFRS intermediary (defined by Article 1 of Legislative Decree 136/2005 as *"the entities indicated in Article 2, paragraph 1, letter c) of Legislative Decree no. 38 of 28 February 2005, and subsequent amendments") as it does not fall within any of the entities provided for in said Article: "c) Italian banks referred to in Article 1 of the Consolidated Law on Banking and Credit referred to in Legislative Decree no. 38 of 28 February 2005, and subsequent amendments". 38, and subsequent amendments"*) as it does not fall within any of the entities referred to in that Article: *"c) the Italian banks referred to in Article 1 of the Consolidated Law on Banking and Credit referred to in Legislative Decree no. 385 of 1SS3, and subsequent amendments; the parent financial companies of banking groups listed in the register referred to in Article C4 of Legislative Decree no. 385 of 1SS3; the securities brokerage companies referred to in Article 1, paragraph 1, letter e), of Legislative Decree no. 58 of 1SS8; the asset management companies referred to in Article 1(o) of Legislative Decree No 58 of 1SS8; the financial companies registered in the register referred to in Article 107 of Legislative Decree No 385 of 1SS3; the electronic money institutions referred to in Title V-bis of Legislative Decree No 385 of 1SS3'*. Ente Cambiano is in fact neither a bank, nor a parent financial company or a financial company registered under Article 107 TUB, nor a SIM, SGR or IMEL. Since the exclusion provided for in letter c) does not apply, it follows that Banca Cambiano is obliged to prepare the consolidated financial statements of the Cambiano Banking Group.

The Cambiano Banking Group is composed as follows:

Group leader:

1) Banca Cambiano 1884 S.p.A. - Florence

The company is the transferee of the banking business of the 'Banca di Credito Cooperativo di Cambiano (Castelfiorentino
- Florence) Società Cooperativa per Azioni", as part of the procedure set forth in Article 2, paragraph 3-bis of Decree-Law No. 18 of 14 February 2016, converted with amendments by Law No. 49 of 8 April 2016. The transfer of the banking business referred to in Paragraph 2) above took place pursuant to and in accordance with the combined provisions of Article 58 of the "Consolidated Law on Banking and Credit" and Article 2, Paragraph 3-bis of Decree-Law No. 18 of 14 February 2016, converted with amendments by Law No. 49 of 8 April 2016.

At its core are the governance and control functions for entire Group.

The share capital is € 252,799,999.60. Shareholders' equity is € 285,061,976, balance sheet assets are € 4,384,166,059. Profit 2024 was € 14,005,100.

Group companies:

2) Cambiano Leasing S.p.A. - Empoli

The Parent Company holds 95% of the capital, which amounts to €

10,000,000. It has been part of the Cambiano Banking Group since

December 2017.

Cambiano Leasing Spa carries out leasing activities for the Parent Bank's customers and through agreements with financial agent networks or agreements with other banks. As at 31 December 2024, shareholders' equity was € 25,106,751, balance sheet assets were € 303,840,730, and profit for the year was € 1,397,766.

3) Immobiliare 1884 S.r.l. - Florence

The parent company holds the entire share capital of€ 13,500,000.

It has been part of the Cambiano Banking Group since its establishment in November 2017.

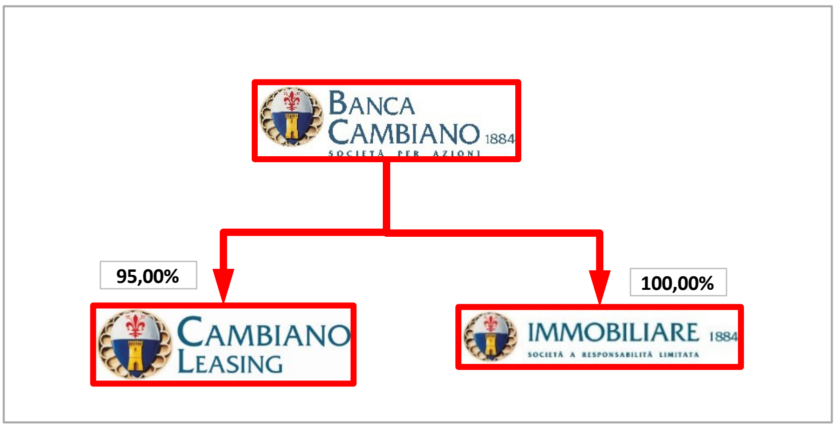
Immobiliare 1884 Srl, in compliance with the Bank of Italy's Prudential and Supervisory Provisions and without prejudice, therefore, to the prohibition of speculative activities as defined by those provisions, has as its object, in an instrumental manner with respect to banking and financial activities of the Group to which it belongs, the performance of the following activities

- the acquisition, management, valorisation, restructuring, rationalisation, transformation and disposal of real estate and property assets, and, more generally, the pursuit of real estate activities of all kinds;
- the activity of leasing real estate owned by way of ownership, usufruct or other rights in rem, as well as on the basis of leasing contracts; the activity of developing the real estate to be leased;

the provision of services and advice in the field of real estate.

As at 31 December 2024, the share capital is€ 13.5 million, the equity €13,553,310, the balance sheet assets are € 31,050,014, the loss for the year is € 99,546.

The following is an outline of the composition of the Cambiano Banking Group:



Key highlights

The following tables show the summary income statement and balance sheet figures for the banking group, calculated on basis of the reclassified financial statements, prepared in the manner illustrated in the sections on the comments on the balance sheet and income statement figures in the Report.

SUMMARY BALANCE SHEET AND INCOME STATEMENT DATA			
figures in €/000			
ECONOMIC HIGHLIGHTS	**31/12/2024**	**31/12/2023**	**Change %**
Interest margin	84.508	91.070	-7,21%
Net commission	30.515	31.051	-1,73%
Operating income	123.101	134.993	-8,81%
Total operating costs	75.076	74.113	1,30%
of which personnel expenses	35.805	33.723	6,17%
of which other administrative expenses	31.980	33.230	-3,76%
Result from operations	48.025	60.880	-21,12%
Net profit for the year	14.958	23.166	-35,43%

ASSET SUMMARY DATA	31/12/2024	31/12/2023	Change %
Total assets	4.438.424	4.857.779	-8,63%
Total risk-weighted assets (RWA)	1.740.641	1.811.289	-3,90%
Loans to customers (net)	2.862.900	3.079.729	-7,04%
of which non-performing loans	41.321	54.369	-24,00%
Total financial assets	930.932	994.592	-6,40%
Collection	5.352.575	5.068.517	5,60%
of which direct deposits	3.729.511	3.507.155	6,34%
of which indirect deposits	1.623.064	1.561.363	3,95%
Statutory shareholders' equity	291.207	274.358	6,14%
Class 1 capital (CET1)	246.760	228.439	8,02%
Total Own Funds	343.410	333.191	3,07%

STRUCTURAL DATA	31/12/2024	31/12/2023	Absolute change
Employees (punctual number)	443	437	6
Employees (average value)	425	428	-3
Number of branches	44	44	0

ECONOMIC AND FINANCIAL RATIOS			
PROFITABILITY RATIOS (%)	**31/12/2024**	**31/12/2023**	**Change %**
Return on equity (ROE) (1)	5,46%	9,30%	-3,83%
Return on tangible equity (ROTE) (2)	5,54%	9,44%	-3,90%
Return on assets (ROA) (3)	0,34%	0,48%	-0,14%
Financial margin/operating income	69,09%	67,90%	1,19%
Net commissions/operating income	24,79%	23,00%	1,79%
Cost /Income (Operating expenses/Operating income) (4)	60,99%	54,90%	6,09%
STRUCTURE INDICES (%)			
Loans and advances to customers / Total assets	64,50%	63,40%	1,10%
Loans to customers / Direct customer deposits	76,76%	87,81%	-11,05%
Financial assets / Total assets	20,97%	20,47%	0,50%
Gross impaired loans/Gross loans to customers	7,83%	8,23%	-0,41%
Net impaired loans/Net loans to customers	4,84%	5,40%	-0,56%
OPERATIONAL PRODUCTIVITY DATA (€/1000)			
Receivables from customers/employees (average value)	6.736	7.196	-6,38%
Interest margin/employees (average value)	199	213	-6,55%
Net commissions/employees (average value)	72	73	-1,03%
Operating income/employees (average value)	290	315	-8,17%
Operating expenses/employees (average value)	177	173	2,02%
REGULATORY CAPITALISATION AND LIQUIDITY RATIOS			
CET1 ratio	14,18%	12,61%	1,56%
Tier 1 capital ratio	16,47%	14,82%	1,65%
Total capital ratio	19,73%	18,40%	1,33%

(1) ROE is calculated as the ratio of net profit for the year to equity without net profit.

(2) ROTE is calculated as the ratio of net profit for the year to equity, excluding net profit for the year and intangible assets.

(3) ROA is calculated as ratio of net profit for year to total assets.

(4) The cost/income is calculated on the basis of the reclassified income statement (ratio of operating expenses to operating income). Calculated according to the financial statement schedules provided for in Bank Italy Circular 262/2005 and subsequent updates, the Cost/Income is 63.66% (60.82% as at 31 December 2023).

Significant events during 2024

The year 2024 was characterised by an intense reorganisation of the operational structure, which saw the completion of activities that had been planned for some time, in order to give new impetus to the Bank's activities, including with the actions currently being implemented.

Organisational Structure

As of July, the structure of the corporate organisation chart and General Management was redefined with a process approach aimed at a better formalised division of executive power, more in line with the changed corporate needs, which require the need for the General Manager to be more effectively assisted both in terms of corporate efficiency and the execution of innovative projects and adjustments to regulatory developments. This new structure of the executive structure will lead to further reflections and in-depth studies on the preparation of an adequate succession plan for the top management figures.

The redesign of the organisational structure took the form of the following interventions:

i) the establishment of the Business Department, which incorporates the Credit and Finance Departments, in order to oversee the integration and effective combination of the product/price/risk mix, both in the area of credit processes, performing and non-performing, and in that of finance, and to increase the dialectical confrontation between the various risk controls. With this reconfiguration (Credit Area, Problem Loans Area and Finance Area), the Management will have an integrated vision of the risk profile linked to business activities, which it will be able to structure in compliance with the risk/return targets, with positive repercussions on the contribution margin, and monitor the risk portfolio, bearing in mind the different technical types, its geopolitical structure and the quality levels expressed. The Department's organisational structure is divided into: a) Credit Control Office, on staff, to oversee credit risks at the corporate level - as part of first-tier second-tier control responsibilities; b) the Credit Control Office, which manages the performing credit chain, the preliminary investigation and finalisation of credit facilities and guarantees in the various types (ordinary, mortgage, with consortium guarantees) as well as the Early Management Office, which intervenes on the performing portfolio to strengthen the proactive management credit activity and, therefore, speed up remedial action; c) the Problem Loans Area, which manages impaired loans with an increasing degree of risk: "Anomalous Performing Loans Management" (stage 2); ii) "PD and UTP Loans Management"; iii) "Non-performing Loans Management"; d) Finance Area which, in addition to managing the proprietary portfolio and liquidity, handles intermediation products with customers in the "Wealth Management", "Markets and Institutional Services" "Foreign" structures;

ii) the establishment of the Resources and Operations Department, which by merging the previous departments of the same name, takes care of the development of process structures and technologies, overseeing reliability levels in relation to corporate risk families. This Department is in charge of being the enabling factor for the development of business and distribution processes, also through the adaptation of technologies and the extension of digitalisation. Specific objectives are also represented by the optimisation of the cost curve and productivity levels of the various organisational units and of the Bank as a whole. In this context, the ICT Governance Office was also set up, aimed at managing IT security, the maintenance and evolution of the application park and aimed at guaranteeing operational continuity, as well as repositioning the Supervisory Reporting Office, which is responsible for reporting to the Supervisory Authority in order to better monitor the related operational and reputational risks, and Cost Management Office in order to provide the tools and levers to monitor the Bank's *cost income.*

Programmatic lines were also redefined, which will lead to the gradual review of detailed operations and a repositioning of the Bank in terms of efficiency, productivity and commercial action. The criterion for action in the various operating divisions is the sharing in the General Management Committee of proposed lines of action, particularly for new initiatives on products and services, preliminarily screened so as to direct all structures on actions made on all aspects of fallout.

Industrial Plan 2025-202G

On 29 January 2025, the Bank's Board of Directors gave final approval to the business plan for the five-year period 2025-2029.

The Plan is structured around the following four main points:

1. **Capital, Economic and Prudential Results of the Plan**: focuses on the financial and risk management results expected from the plan.

2. **Adverse scenario projections**: analyses the plan's projections under adverse economic conditions.

3. **Potential upside not factored into the plan**: considers potential opportunities that may not have been initially included in the plan.

4. **High-level roadmap**: defines a general path for the implementation of the plan's initiatives.

The development of the new plan is set against a challenging backdrop of lower interest rates and loans and a strengthening of credit quality.

The Group's positioning in the context of the 2025-2029 Business Plan is based on several key points:

– **Territorial rootedness**: the bank is strongly integrated in the territory, combining tradition and innovation, sociality and market to serve the real economy.

– **Shared values**: promotes sustainable and solid growth, creating a virtuous circle of trust and appreciation among stakeholders, employees and local communities.

– **Focus on ESG lines**: includes the activation of 'Renewable Energy Communities' (RECs).

– **Mission**:

- access to innovative products and services.
- Supporting families, SMEs and local communities.
- Improving credit quality.
- Monitor risk management.
- Preserving reputation as a key element.

QThis positioning reflects the Bank's commitment to combining traditional and innovative aspects to best meet the needs of the market and its players.

Key figures in the Plan, which show the Bank's commitment expansion and innovation, include:

– **Gross loans net of non-performing** loans: approximately EUR 3.6 billion stock of loans to households and businesses by 2029.

– **Staff turnover**: about 50 and/or **new highly professional additions**: about 15.

– **Investments for transformational projects (2025-2027)**: expected to be around EUR 3 million.

– **Reconsideration of the structure of sales outlets/branches.**

The Plan's levers of intervention are as follows:

– **Targeted relaunch of territory support**: expanding credit operations in new sectors, territories and customers, refining the cost-based and risk-adjusted pricing model, and pushing the commission business (insurance, asset management, e-money, etc.).

– **Qualified growth on areas of value**: enhancing digital banking, also by considering external companies.

– Liquidity position optimisation: optimise the liquidity position and take action to contain funding costs.

– **Credit quality improvement**: align risk indicators with the market average and improve the credit disbursement and management process by aligning it with best practices.

– **Efficiency, competitiveness and technological innovation**: focus on operational and business excellence, maintain a constant focus costs, and modernise IT.

Another important element set during the year was the preparation of a succession plan for senior figures, also in compliance with the requirements of the Bank of Italy's Supervisory Provisions on corporate governance as well as the Bank of Italy's 'Guidelines on the composition and functioning of the board' order to plan the succession of senior figures to ensure that the knowledge, skills and competencies of the corporate bodies remain adequate to the Bank's current and future needs, in view of its strategic objectives and risk profile. The regulatory expectations call for an orderly management of change, helping to limit the risks of instability arising from any unexpected discontinuities in the Bank's top management roles. In line with these regulatory outlooks and consistent with the functional requirements of business continuity, the document prepared aims to illustrate the succession planning for both corporate bodies and the General Management. This plan, whose time frame coincides with that of the strategic plan (2025-2029), is a fundamental element of governance, as it aims to (i) ensure the continuity and long-term sustainability of the institution, mitigating the risks associated with any unforeseeable changes in their composition; (ii) ensuring that the Bank's wealth of knowledge, governance experience and historical memory of its issues, initiatives and paths is preserved.

The succession plan, drawn up on the basis of a careful analysis of the bank's internal and external context, therefore has the strategic objective of guaranteeing the bank's operational continuity and capital solidity, while ensuring an adequate level of renewal and diversification of skills within corporate bodies. This approach aims to strengthen the institution's ability to meet the challenges posed by the evolution of the financial market and to respond proactively to new *stakeholder* needs.

Risk Academy

In the second half of the year, the 'Risk Academy' training project, promoted by the Bank with the collaboration of the Department of Science for the Economy and Business of the University of Florence and Cabel Industry, was successfully launched, aimed at offering in-depth and practical training on finance, risk management and artificial intelligence issues. ǪThis path of excellence was aimed at students on the 'Accounting, Auditing and Control' and 'Finance and Risk Management' master's degree courses and included two months of practical lessons held by bank and Cabel representatives and other experts in the sector, covering topics such as financial statement analysis, management control, risk management and sustainability (ESG). A business game also took place during the course, a practical simulation in which the students were able to manage a portfolio of bank loans by applying the skills they had acquired. At the closing event, the students and tutors were able to share their results and experiences gained during the course. The experience represented an important growth opportunity for all, so much so that they wished to repeat it.

Pontormo RMBS securitisation transaction

In October, the structure of the Pontormo RMBS securitisation transaction was changed, which saw the involvement as co-originator also of BCC di Pisa e Fornacette, which will soon be put liquidation. The Parent Company Iccrea decided to have the mortgages repurchased and the related Notes cancelled. Consequently, the transaction was revised, which now sees Banca Cambiano as sole originator, and the previous contractual documents were amended. The rating agencies confirmed the previous rating.

Internal Revenue Service. Appeal Judgement of 25.10.2024

On 25 October, the Tax Court of First Instance of Florence issued a ruling favour of the bank's claim for the reimbursement of an IRES credit of €6,673,048, deriving from the transformation into a tax credit of the Deferred Tax Assets (DTA) on the tax losses of the merged Invest Banca S.p.A., for which the Agenzia delle Entrate had denied the reimbursement, claiming that the requirements for post-merger tax loss carry-forward, as set forth in Article 172, paragraph 7, of the TUIR, were not met. In its ruling, the Court established that the merger transaction, with the consequent carry-forward of DTAs on tax losses, did not have the sole or prevalent elusive purpose of assuming the liabilities of the merged company, and that the rescue operation of Invest Banca, due to the manner in which it took place and was institutionally solicited, leads to the exclusion of a case "abuse of law" and must be considered an absolute guarantee of the correctness of the entire transaction and therefore to the Revenue Agency itself. The Agenzia delle Entrate - Direzione Regionale della Toscana, has appealed to the Second Grade Tax Court of Tuscany.

Contribution of NPL loans to FIA

With the aim of reducing the ratio of impaired loans to the total loan portfolio, in December 2024, the operation to subscribe units of the alternative investment fund ("FIA") called "Fondo Persefone", set up by PCG SGR S.p.A., was finalised, for a total countervalue at the cut-off date of € 29.73 million through the contribution in kind of the right to receive the purchase price of € 17.96 million deriving from the sale of a portfolio of loans classified as "probable defaults" and "non-performing loans" to the vehicle company Caleen SPV for a countervalue of € 18,53 mln, and write-down of € 11.20 mln, resulting in a loss on sale of € 0.56 mln recorded under item 100 a) "Gains (losses) on disposal or repurchase of financial assets valued at amortised cost" of the income statement. This is the second transaction carried out by the Bank with the counterparty PCG, as a first subscription of units in the Persefone Fund had already been concluded in December 2023, with the number of units acquired amounting to € 10.01 mln. As at 31 December 2024, the total number of units amounted to 27.69 mln, with a balance sheet value of € 22.29 mln.

Regulatory Developments

With reference to the prudential supervisory framework, the
Regulation (EU) 2024/1623 (CRR3) amending Regulation (EU) 575/2013 and Directive (EU) 2024/1619

(CRD VI) amending Directive 2013/36/EU. The new regulations transpose the *standards* approved by the Basel Committee, with specific reference to the treatment of the main risks (credit, market and operational) and to the so-called '*output floor*', which aims to counteract the possible underestimation of risk resulting from the use of banks' internal models.

The new CRR3 provisions entered into force on 9 July 2024 and will apply as of 1 January 2025, subject to specific provisions applicable as of 9 July 2024; the CRD VI Directive, on the other hand, will have to be transposed by Member States by 10 January 2026 and the transposing legislation will be applicable as of 11 January 2026.

The CRR3 regulation provides for a number of new features, including:

1. Credit risk - standardised methodology (SA-CR):

- introduction of a stricter treatment for *unconditionally* cancellable committments (UCCs), for which a credit conversion factor (CCF) is raised from 0% to 10%, thus leading to capital absorption;
- Revision of the risk weights for subordinated exposures from 100% to 150% and equity exposures from 100% to 250%, distinguishing the latter from short-term, riskier speculative investments which are assigned a risk weight of 400%;
- introduction of a standardised approach to credit risk assessment for exposures to institutions for which a credit assessment by a nominated ECAI is not available. This approach requires banks to assign such exposures to one of three classes (to which different risk weights correspond) according to quantitative and qualitative criteria defined by the regulator;
- Revision of the treatment of exposures secured by real estate that maintains the distinction between residential and non-residential mortgages, with the introduction of an additional driver that provides for a specific treatment for mortgages secured by income-producing real estate (IPRE), i.e. mortgages whose repayment depends materially on the cash flows (in the form of lease or rental payments or sale proceeds) generated by the collateral property. Such exposures receive a differentiated risk weight based on the ratio of the gross exposure value to the value of the collateral property (ETV). Also among the key changes is the specific treatment for loans financing the acquisition, development or construction of residential or non-residential real estate, so-called 'ADC' loans, for which a 150% risk weight is applied where there are no binding pre-sale or pre-lease contracts that make up significant portion of the total contracts or where the borrower does not have an adequate amount of equity at risk (the EBA will issue guidelines by 10 July 2025 on the definition of the latter two points);
- reintroduction of the 'prudential filter' on government bonds until 31 December 2025, providing for a 100% full sterilisation throughout the application period.

However, there is a long transitional regime (2025-2032) that will allow banks to defer the impacts assets.

2. Credit risk - internal *ratings-based* method (IRB-CR):

- limitation on the use of the Advanced *Internal Ratings-Based* (A-IRB) approach, which will no longer be usable for 'Large *corporate*' exposure classes (consolidated groups with turnover > EUR 500m), corporates and equity instruments; for exposures to *large corporates* and corporates, the IRB model may be used), while for *equity* exposures, the use of the standardised approach will be mandatory;
- recalibration of PD *ffoor* and introduction of *ffoor* to LGD and EAD parameters for corporate and *retail* exposures;
- elimination of the *scaling factor* (1.06), currently provided for in IRB calculation formulas as calibration of *risk weights*;
- modification of the calculation method for obtaining internal estimates of credit conversion factors (CCFs), for which the EBA is expected to publish guidelines on the methodology to be adopted (by 31 December 2026) and the modification of the scope of application of internally estimated CCFs limited exclusively to so-called 'revolving' commitments.

3. Market risk

Delegated Regulation (EU) 2024/2795 published in the Official Journal of the EU on 31 October 2024 amending the CRR with regard to the application of own funds requirements for market risks, confirmed the postponement until 1 January 2026 of the application of the *Fundamental Review of the Trading Book* (FRTB), which has so far only been introduced in Europe (with CRR2) for reporting purposes.

4. Operational risk

   A single standardised method applicable by all banks - *New Standardised Measurement Approach* (SMA) - is introduced for the calculation of the capital requirement, replacing the methods used to date for the calculation of operational risk (*Basic Indicator Approach-BIA*; *The Standardised Approach-* TSA; *Alternative Standardised Approach-* ASA, including the internal models-based approach *Advanced Measurement Approach -AMA*).

   The new method is based on an accounting-derived capital base and determines own funds requirement as a percentage to the *Business Indicator*, where the latter is the sum of three components, each calculated as an average of the last three years:

- ILDC- *Interest Leases* Dividends *Component*: interest, including interest from *leases*, and dividends;
- SC- Service Component: service component;
- FC - Financial Component: financial component.

   Output ffoor: In order to ensure minimum capital levels, mitigate model risk, and enhance comparability across banks, the *output ffoor* mechanism provides that banks using internal models to calculate risk-weighted exposures may not have total risk-weighted exposures (*Unffoored Total Risk Exposure*, U-TREA) below 72.5% of the risk-weighted exposures that would be obtained using the *Standardised Total Risk Exposure* (S-TREA) approaches alone.

5. Environmental, social and *governance* risks

   The first references are introduced on the topic of climate risks and how banks and supervisors will have to take them into account with the main objective of further strengthening the resilience of the European banking system, contributing to sustainability with a 'green transition' and supervisory powers.

In addition, following the rapid growth in recent years of crypto-asset markets, CRR3 introduces a specific prudential treatment for these types of exposures. Transitional calculation rules are foreseen for the own funds requirement, pending the publication of the legislative proposal by the European Commission (by June 2025) introduce a dedicated treatment for crypto-assets.

Based on initial estimates, it is expected that the new regulatory provisions will lead to an overall reduction in capital requirements.

Transposition of CRD VI Directive

The amendment to the CRD VI Directive on capital requirements for prudential purposes will result in the calculation and representation of the concrete capital structure of the Group and the resulting regulatory capital ratios. In order to take into account the specificities of certain banking groups, with the amendments to the Directive a new paragraph 4 bis is introduced into the regulatory text, pursuant to which the Supervisory Authority on a consolidated basis will allow financial holding companies exempted from the eligibility to act as banking parent company, as in our case is Ente Cambiano, to be excluded from the consolidation perimeter of a banking group under specific conditions, in detail exclusion from the consolidation perimeter is recognised, subject to authorisation, where (i) the effectiveness of supervision of the bank is not jeopardised,
(ii) the financial holding company does not hold equity exposures other equity exposures in the bank, and (iii) the financial holding company does not engage in substantial leverage. The transposition of the rules of the Directive into national law must take place by 10 January 2026 at the latest. The application of the new capital reporting approach to the Cambiano Group will result in the production of supervisory flows that are fully consistent with the company's capital structure, with positive effects to be expected.

ESG (Environmental, Social and Governance) Project

Climate and environmental risks have increasingly entered the list of those to be effectively monitored, primarily by financial intermediaries. The magnitude of investments aimed at fostering energy and ecological transition through serious policies of decarbonisation of production cycles has required and is still requiring a strong involvement of the credit industry, both to increase awareness of the risks associated with it and to ensure that no obstacles are put in the way of the objective of channelling adequate resources to finance those economic activities that contribute most to a vision of a sustainable future.

The Cambiano Group recognises that the integration of risks related to environmental, social and corporate governance factors (so-called 'ESG risks' - *Environmental, Social, Governance*) into strategic processes and risk management systems is essential for an increasingly better understanding of the context in which it operates, for a more conscious and considered assumption of risk and for a more effective response to the needs of customers and communities.

Also in view of the growing attention of regulatory authorities and public opinion, the Group is progressively incorporating the assessment of risks related to climate change and environmental, social and governance issues in the formulation and implementation of its lending, financial and investment policies as well as in the provision of services clients, through the analysis of exposure to more vulnerable sectors, markets and counterparties, understanding the potential impacts in the short and longer term, and identifying and integrating these factors into risk management practices.

As part of the activities conducted on issues related to ESG factors, an ad hoc structure (Sustainability Committee) is governing the implementation and monitoring of compliance programmes, in accordance with the Group's strategic guidelines on 'sustainability'.

The Plan of Initiatives, finalised in May 2023, represents the set of activities planned for the development and implementation of a series of organisational, procedural and methodological solutions through which to achieve full alignment with the non-binding indications of the Supervisory Authority over several years.

The following is a summary of the main activities carried out by the Bank in 2024, tracing them back to the following areas covered by the Supervisory thematic analysis.

A) Corporate context and strategy: the Bank has identified within its organisational structure a management committee, the Sustainability Committee, chaired by a director with the task of overseeing climate and environmental, social and governance risks. The Committee's main activities include coordinating and supervising ESG projects within the Bank and supporting the Board of Directors in exercising its strategic oversight functions on sustainability (ESG) issues. In terms of internal policies, the group policy for ESG issues and policies on finance (proprietary portfolio and client portfolio) were updated. In addition, the basic principles of credit policies were also revised, which, in line with European 'sustainable finance' regulations and market trends, define guidelines for granting credit that takes ESG factors into account. From the point of view of strategy, the Bank has included in its Strategic Plan and in its offer, specific sustainable credit products aimed at assisting individuals, professionals and businesses that intend to invest in reducing their 'carbon footprint' through, for example, the installation of renewable energy systems, the purchase of environmentally friendly means of transport or the efficiency upgrading of their homes or workplaces.

In April 2023, the Bank issued its first Senior Green Bond in the amount of EUR 25 million. The issuance of the Green Bond is governed by a Framework aligned with the Green Bond Principles. A Green Bond Report is published annually, a tool that provides an in-depth description of the characteristics of the loans that make up the portfolio of loans to which the Green Bond proceeds have been allocated, its impact in terms of reducing the carbon footprint, and discusses some particularly virtuous projects.

B) Corporate governance, risk appetite, reporting and data governance: significant changes were made last year to the *Risk Appetite Frameworks*. The qualitative objectives in the ESG sphere that already existed integrated, as a guideline for the promotion of further and new ESG risk assessments aimed at orienting strategic choices with a view to limiting the impact of these factors on credit and investment, strategic, reputational and legal risk exposures. From the point of view of infrastructures and data management processes, the wealth of data on sustainability risks has been further enriched through the use of specialised *info-providers*, creating the architectural premises so that the information systems increasingly respond to the need to collect, process and aggregate systematically the data necessary for the assessment of ESG risk exposure, acquiring the information in an orderly manner through interchange channels and placing it in dedicated ICT environments, available to multiple processes and users. A *data dictionary* was completed to collect all information needs related to the integration of ESG considerations into business processes, that any user can understand the origin and granularity of the available data. On the subject of internal *reporting*, the bank has set up a periodic reporting apparatus on the evolution of ESG risk, which is now part of the reporting system to top management on the bank's general risk trend, through which the board is regularly informed about the state of ESG risks - and, in particular, those of a climatic and environmental nature - that characterise the bank's exposures and counterparties, by measuring metrics conducting quantitative analyses of the incidence of these particular risk factors. With regard to sustainability reporting, the Bank has launched the project adapt to the requirements of the CSRD Directive, which represents the evolution of the Non-Financial Reporting Directive (NFRD), taking into account the evolution of the proposed amendments to the so-called "Omnibus Package" presented in February by the European Commission.

C) Risk management system: in this regard, the bank committed to systematically integrating sustainability risks into the corporate *risk management* system, since these risks - with particular attention to climatic and environmental factors - are likely to have an impact on exposure to traditional prudential risks (in particular, credit, market, operational and liquidity risks). The methodology for quantifying the level of risk exposure, also in prospective terms, is enriched day by day, increasingly incorporating ESG factors in the assessment of exposure to the various risks and in their monitoring, through the elaboration of analyses on the type and level of materiality of the sustainability risks to which the bank and its portfolios are most vulnerable. In addition to and as an evolution to the previous tools for mapping and classifying ESG risk at a sector level (the so-called 'ESG *Heat Map*'), an internal methodology was developed for the construction of synthetic *scores* representing ESG risk at the level of individual counterparties. This *scoring* system, developed primarily to measure individual vulnerability to climate and environmental risk factors, will make it possible to prospectively estimate the potential financial impacts associated with the exposure of credit counterparties, initially to transition and physical risks and, subsequently, to overall ESG risks. The monitoring of ESG risks associated with portfolios of credit risk exposures and investments in financial instruments is also supported by external *tools* and information services (e.g., non-proprietary ESG rating systems for assessing the riskiness of investments and issuers of financial assets in the portfolio) useful for ensuring a systematic determination of the degree of exposure through the adoption of tools, metrics and algorithms for measuring risk levels that can feed into internal monitoring and reporting systems. Climate and environmental risks in particular, on the basis of the results of the materiality analyses carried out, will be incorporated into the next internal capital adequacy assessment (ICAAP) and liquidity (ILAAP) processes by means of dedicated impact (e.g. on the traditional risk parameters of the credit portfolio and guarantees) based on the application of prospective climate transition scenarios and/or on assumptions of the severity of the effects of relevant physical risks.

The framework for the measurement, control and monitoring of risks related to climate, environmental, social and *governance* factors and the related integration activities into strategic processes and risk management systems will be gradually completed and refined in line with the planned adjustments:

(i) the refinement of processes and investigations of the significance of climate and environmental risks with respect to their potential occurrence within traditional risk categories;

(ii) greater integration of climate change/environmental objectives into the company's business model through the provision of performance indicators and targets;

(iii) enrichment of risk appetite parameters, metrics and *scenario-based* analyses to quantify the impacts of climatic and environmental factors;

(iv) the refinement of assessment techniques and tools and the development of technical-architectural solutions for the collection and management of ESG information assets;

(v) to an increasing integration of climate and environmental assessments within credit policies and procedures (new loan granting process, monitoring of sectoral and geographical concentration levels of the credit portfolio, evaluation of the collateral backing loans, mitigation of borrowers' climate-environmental risks, etc.) as well as the engineering of supporting IT, infrastructure and *data management* solutions.

D) Credit risk: Supervisory guidelines call for the integration of ESG risks, and in particular environmental and climate-related risk factors, into credit processes and related risk measures. The Bank adopts *scoring* systems quantitative ESG in the context of creditworthiness assessment. The calculation model of the new *score* is based on the combination of data acquired mainly through the use of external companies specialised in the provision of financial and sustainability information; to this end, the bank has activated collaborations with qualified ESG data *infoproviders* in order to retrieve all the necessary information (punctual information and/or adequate *proxies* or estimates in the absence of reliable punctual data). The methodology developed also envisages the possibility of defining more accurate *scoring* by administering specific questionnaires to counterparties, on the occasion of the granting of new credit as well as on other potential occasions of contact with them, in order to collect additional or more up-to-date ESG information than that provided by external *providers*. The *scoring* of individual counterparties will be progressively integrated into the deliberative processes with the consequent redefinition of the *escalation* logics of the bodies/authorised parties, of the relative delegated powers, and of the *lending pricing* models to be applied to credit transactions with companies.

Trade policy

The interest rate scenario recorded reversal in 2024, showing a gradual decrease, slower than originally expected but nevertheless significant throughout the year, also supported by the interest rate cuts implemented by the European and, to some extent, American central banks. The Euribor 1-month/365 monthly average fell from 3.922% in January 2024 to 2.946% in December 2024. The peculiarity of the rate scenario remains that long-term rates are slightly lower than short-term ones; the 20-year IRS went from 2.71% in January to 2.37% in December 2024.

Bank funding was up 2.4% year-on-year, with the average rate falling slightly in the latter part of the year. Lending, on the other hand, recorded a negative change on an annual basis (-1.6%), with a contraction concentrated towards businesses (-3.6%) compared to total loans to households, which remained essentially stable. The market for mortgages to private individuals recovered in the latter part of the year, starting to benefit from the aforementioned reduction in rates.

Collection Department

In the socio-economic scenario described above, the Funding segment experienced some peculiarities, also dictated by the trend in interest rates.

- In the area of Insurance Premiums, the trend of declining stock volumes continued, along with a slowdown in new subscriptions, particularly for Branch I policies and Multi-branch policies; in the latter part of 2024, the placement campaign for Nobis' Branch I policy "Opportunity Safe" was replicated, which allowed for the recovery of production volumes. The reversal in the interest rate scenario recorded in the first part of 2024, which brought rates back down, did not generate immediate effects on the return insurance portfolios and consequently on the attractiveness of these forms of investment.

- On the other hand, Managed Assets maintained a steady growth trend in both Asset Management and Mutual Funds.

- The restricted direct funding products placed by the Bank (mainly Time Deposits), despite the gradual reversal of the rate trend recorded in the final part of year and the consequent reduction in the remuneration and maturities offered, maintained their attractiveness, recording an increase of 53.3% compared to the previous year-end, only marginally at the expense of current account deposits (-1.4% compared to year-end 2023).

- The Web Bank channel, acquired in the previous year, recorded a positive result during the year in terms of direct deposits, increasing volumes by about EUR 48 million (+33.1%), despite the fact that, in this case too, the rates offered were progressively reduced in line with market trends. Q this channel continues to represent a significant opportunity for the Bank, especially with a view to expanding its offer to new, more technologically advanced customers and, in particular, in the younger age segments beyond its territorial location.

Employment Department

There was also contraction in lending volume in 2024 (-5.1% compared to the previous year-end, concentrated in medium-/long-term forms), partly linked to the still high interest rates, although on a downward trend, and partly due to corporate credit policies aimed at limiting capital absorption. The purchase of tax bonus loans from the Bank's customers is gradually being phased out.

In the course of the year, in order to give more impetus to the sector, the offer of mortgages to private individuals was revised by reintroducing fixed-rate mortgages, albeit with a limited ceiling, and defining an offer reserved for 'green' mortgages.

There remains a strong impetus towards consumer credit and salary assignment, realised through collaboration with third-party companies, and towards the advance of TFS/TFR of civil servants, also placed through an external agency network.

At the end of 2024, the agreement with Lenergy Spa was initiated, through which the bank started the placement of unsecured loans for the installation of photovoltaic panels backed by a specific EIF guarantee.

With reference to the subsidiary Cambiano Leasing, compared to the market trend, there was a slight decrease, in line, however, with the guidelines of the 2024 business plan. The total 2024 stipulated volumes amounted to 75 million/Euros, compared to 93 million/Euros last year, marking a decrease of about 20%; the number of stipulated transactions also decreased (729 contracts compared to 789 in 2023,
-7%).

	2024		2023		Change %	
	N. Contracts	Euro/1000	N. Contracts	Euro/1000	N. Contracts	Value
Targeted	513	42.845	459	38.599	+11%	+11%
Instrumental	194	21.136	292	42.803	-34%	-49%
Property	20	8.838	23	7.160	-13%	+23%
Aeronavale	2	1.850	7	4.550	-71%	-59%
Totals	**729**	**74.669**	**781**	**93.112**	**-7%**	**-20%**

Considering the volumes of new business disbursed in 2024 and the amortisation of the existing stock, it turns out to be
amounted to EUR 279.91m, down by about 5% compared to the figure at the end of 2023 (EUR 295.67m).

Type Leasing	2024	%	2023	%
Property	106,99	38	114,00	38
Instrumental	86,02	31	100,93	34
Targeted	79,86	29	72,72	25
Aeronavale	7,04	2	8,02	3
Total	**279,91**	**100**	**295,67**	**100**

Financial intermediation and treasury and investment activities

The bank's balance sheet is divided into various management areas, with a focus on treasury and securities portfolio activities, which play a crucial role in liquidity and investment . During 2024, financial markets showed high volatility, influenced by still restrictive monetary policies of the major central banks, geopolitical tensions and persistent inflationary dynamics. The bond sector experienced a reduction in yields, while the stock market experienced significant swings in response to macroeconomic data and interest rate expectations. Despite the uncertainties, the search for fixed-income investments favoured bond issues, especially those with investment grade ratings. The Bank's securities portfolio is structured to ensure an appropriate balance between profitability and risk, with a predominance of fixed-income instruments and a prudent allocation of capital. The main sections include government bonds, which represent the main component for risk and liquidity management and are all of high quality for ESG purposes; corporate bonds, investments in solid issuers rated investment grade, with 90.9 per cent of corporate bonds in the portfolio rated medium-high for ESG purposes; and primary market securities, purchased directly to maximise returns. The bank has also adopted a strategy to exclude domestic issuers based on a review of greenhouse gas intensity, excluding countries in the last quartile of the ranking; on recorded social violations, excluding countries with significant violations; and country social characteristics, excluding those with at least one figure in the last quartile of the ranking for income inequality, freedom of expression, respect for human rights, corruption and political stability. As at 31 December 2024, the total nominal value of the HTC-HTCS securities portfolio amounted to € 783,200,000, with a dry price of € 748,797,070, a tel price of € 752,441,262, a modified duration of 3.90, an internal rate of return (IRR) of 2.79% and a 10-day 99% VaR of € 15,056,989 (2.01%). At the same time as the medium- to long-term management of the securities portfolio, the bank also pursued trading activities, implementing relative value and brokerage strategies and purchasing equities for approximately 5 million in 2024. The selection of financial instruments was supported by collaboration with Axyon AI, which provided advanced software based on artificial intelligence. The bank's treasury has the task of managing liquidity and optimising the cost of bank funding, ensuring business continuity by monitoring cash flows for compliance with regulatory requirements (LCR, NSFR), managing interbank and customer funding with deposits and refinancing operations with ECB, and using derivative instruments to hedge exchange rate risk and manage interest rate risk. The current context is characterised by the reabsorption of excess liquidity; in fact, the unconventional refinancing operations known as TLTROs (Targeted Longer-Term Refinancing Operations) expired in 2024. First introduced in September 2014 by the European Central Bank, these targeted long-term refinancing operations were aimed at offering financing with extended maturities (up to 4 years), on favourable terms compared to the market, to stimulate the provision of bank credit to the real economy. The securities portfolio and treasury work in synergy to ensure efficient management of the bank's financial resources. A prudent approach in the selection of financial instruments and sound liquidity management allow the bank to maintain stability and sustainability in the medium to long term.

As at 31 December 2024, assets under administration in financial instruments owned by customers amounted to EUR 1,047 million, an increase of 11% compared to the same period in 2023. The main contribution to this increase came from Italian government bonds, demand for which remained high thanks to the competitive yields offered. The Bank actively participated in the placement of the BTP Valore, raising €18.6m in the first issue and €13m in the second. The composition of customer portfolios reflected a high bond exposure, with a marginal presence of complex instruments, for which the Bank did not make any direct placements. The performance of managed assets was positive, with significant growth: as at 31 December 2024, assets amounted to EUR 254 million, up EUR 53.7 million (+27%) from the previous year. QThis result was boosted by the enhancement of the Bank's internal resources, which led to an increase in subscriptions and a positive performance of the products offered. At the end of the year, the amount invested in mutual funds and SICAVs amounted to EUR 129.3 million (+15%), while the asset management segment reached EUR 124.6 million (+42%). A special focus was devoted to the promotion of pension funds, with expansion through both individual and collective agreements with private companies. The entire range of assets under placement is ESG rated, meeting and exceeding the minimum rating set by the Bank. In addition, all funds subscribed by clients have an ESG rating, with a predominance (54%) of funds rated Article 6 under the SFDR.

Balance Sheet Analysis

The main items of the balance sheet and profit and loss account as at 31 December 2024 are shown below, in thousands of Euro, with comparative figures shown.

For greater clarity in the presentation of the results for year, the accounting schedules provided by the Circular 262/2005 of the Bank Italy have been presented in reclassified form ([1]. In particular:

- On-demand receivables from bank counterparties (included in item 10 "Cash and cash equivalents" were reclassified to "Loans a) due from banks";
- debt securities measured at amortised cost (included in item 40 "Financial assets measured at amortised cost") were reclassified to "Financial assets";
- loans compulsorily measured at fair value (included in item 20 c) "Financial assets measured at fair value through profit or loss - other assets compulsorily measured at fair value") were reclassified to "Loans";
- Receivables for "Tax bonuses", included in item 120 "Other assets" were reclassified to "Financial assets held for trading" and "Loans d) Other assets" on the basis of the business model adopted for their management;
- amounts due to institutional counterparties (included item 10 "Financial liabilities measured at amortised cost b) due to customers) were reclassified under item 10 "Due to banks and institutional counterparties b) due to institutional counterparties");
- Other liabilities' includes items 60 'Tax liabilities' and 80 'Other liabilities';

[1]For more details on how the reclassified statements are presented, please refer to the annex 'Reconciliation of Reclassified Balance Sheet and Income Statement with the Financial Statements'.

- the item 'Provisions for liabilities' includes items 90 'Staff Severance Indemnity Provision' and 100 'Provisions for liabilities and charges'.

Reclassified Balance Sheet

(figures in thousands)

Asset Items	31/12/2024	31/12/2023	Changes in amounts	Variations %
Case	15.246	15.519	**-273**	**-1,76%**
Financial assets	**930.932**	**994.592**	**-63.660**	**-6,40%**
(a) financial assets held for trading	98.293	103.754	-5.460	-5,26%
(b) financial assets designated at fair value	0	0	0	0,00%
(c) other financial assets mandatorily measured at fair value	39.828	29.372	10.455	35,60%
d) Financial assets measured at fair value with impact on overall profitability	173.188	474.967	-301.779	-63,54%
e) Financial assets measured at amortised cost	619.623	386.499	233.124	60,32%
- Banks	2.737	3.683	-946	-25,68%
- Clientele	616.886	382.816	234.070	61,14%
Financing	**3.310.322**	**3.635.047**	**-324.726**	**-8,93%**
(a) due from banks	264.342	405.359	-141.018	-34,79%
(b) loans to customers	2.862.900	3.079.729	-216.829	-7,04%
c) Loans mandatorily measured at fair value	98.354	71.324	27.030	37,90%
d) Other activities	84.726	78.636	6.090	7,75%
Participations	16.375	15.933	442	2,78%
Material activities	92.579	89.231	3.348	3,75%
Intangible Assets	5.090	4.928	162	3,29%
Fiscal activities	15.714	21.031	-5.317	-25,28%
Non-current assets and groups of assets held for sale	0	0	0	0,00%
Other Activities	52.165	81.498	-29.333	-35,99%
TOTAL ASSETS	**4.438.424**	**4.857.779**	**-419.356**	**-8,63%**

Liabilities and Shareholders' Equity	31/12/2024	31/12/2023	Changes in amounts	Variations %
Due to banks and institutional counterparties	**306.875**	**945.734**	**-638.858**	**-67,55%**
(a) due to banks	111.102	641.072	-529.970	-82,67%
(b) due to institutional counterparties	195.774	304.662	-108.889	-35,74%
Direct collection	**3.729.511**	**3.507.155**	**222.356**	**6,34%**
(a) amounts due to customers	3.613.729	3.334.734	278.995	8,37%
(b) securities in issue	115.782	172.421	-56.639	-32,85%
Financial liabilities held for trading	420	442	-22	-4,98%
Tax liabilities	1.104	1.220	-116	-9,52%
Liabilities associated with discontinued operations	0	0	0	0,00%
Other liabilities	100.907	118.192	-17.285	-161,87%
Liabilities funds	8.400	10.679	-2.279	0,00%
TOTAL LIABILITIES	**4.147.217**	**4.583.421**	**-436.204**	**0,00%**
Net assets	**291.207**	**274.358**	**16.849**	**0,00%**
Valuation Reserves	-1.064	-7.783	6.719	16,80%
Redeemable shares	0	0	0	0,00%
Capital instruments	40.000	40.000	0	0,00%
Reserves	-17.545	-35.814	18.269	7,23%
Issue surcharges	803	803	0	0,00%
Capital	252.800	252.800	0	0,00%
Own shares (-)	0	0	0	0,00%
Minority interests	1.255	1.185	70	0,00%
Profit/loss for the year	14.958	23.166	-8.209	-35,43%
TOTAL LIABILITIES AND EQUITY	**4.438.424**	**4.857.779**	**-419.356**	-8,63%

Financial assets

Financial assets include all financial assets held by the banking group and allocated to the various business lines. As at 31 December 2024, the item decreased by € 64 million (-6..40) compared to 31 December 2023.

The decrease recorded by the item in the period is mainly attributable to the reduction in government bonds allocated in the HTCS portfolio with impact to OCI (-€301.9 million) only partially offset by the increase in government bonds valued at amortised cost (+€233.1 million).

FINANCIAL ASSETS				
figures in €/000				
Type of transactions/values	**31/12/2024**	**31/12/2023**	**Var. absolute**	**Var. %**
Debt Securities	**867.857**	**934.718**	**-66.861**	**-7,15%**
(a) Securities held for trading	86.043	83.941	2.102	2,50%
(b) Securities designated at fair value	0	0	0	0,00%
c) Securities mandatorily measured at fair value	3.426	3.651	-225	-6,17%
d) Securities measured at fair value with impact on comprehensive income	158.765	460.627	-301.862	-65,53%
e) Securities valued at amortised cost	619.623	386.499	233.124	60,32%
- Banks	2.737	3.683	-946	-25,68%
- Clientele	616.886	382.816	234.070	61,14%
Equities and OICR units	**56.416**	**40.062**	**16.354**	**40,82%**
(a) Securities held for trading	5.591	0	5.591	0,00%
(b) Securities designated at fair value	0	0	0	0,00%
c) Securities mandatorily measured at fair value	36.402	25.722	10.681	41,52%
d) Securities measured at fair value with impact on comprehensive income	14.423	14.340	83	0,58%
Derivative Instruments	**422**	**618**	**-197**	**-31,83%**
(a) Trading financial derivatives	422	618	-197	-31,83%
(b) Trading financial derivatives	0	0	0	0,00%
Other Activities	**6.238**	**19.194**	**-12.956**	**-67,50%**
(a) Other assets held for trading	6.238	19.194	-12.956	-67,50%
Total Financial Assets	**930.932**	**994.592**	**-63.660**	**-6,40%**

Loans - loans to customers

Loans - Loans to customers include loans valued at amortised cost held with ordinary customers.

As at 31 December 2024, the Group's loans to customers amounted to€ 2,863 million, down from figure as at 31 December 2023, with a decrease of€ 217 million (- 7.04%).

The reduction in the aggregate was mainly due to the component of mortgages and loans, which also decreased as a result of the sale of NPL loans concluded in December for a total of Euro 28 million, of which non-performing loans for Euro 6 million and UTPs for Euro 22 million in accordance with the Strategic Plan.

LOANS: B) LOANS TO CUSTOMERS				
€/000				
Type of transactions/values	**31/12/2024**	**31/12/2023**	**Absolute Var.**	**Var. %**
Current Accounts	439.455	428.624	10.831	2,53%
Mortgages	1.697.454	1.791.551	-94.097	-5,25%
Wallet	7.655	8.712	-1.057	-12,14%
Securitised mortgages	83.025	112.668	-29.644	-26,31%
Self-securitised mortgages	292.677	341.276	-48.599	-14,24%
Leasing	283.231	298.665	-15.433	-5,17%
Other Financing	52.485	59.685	-7.201	-12,06%
Gross non-performing loans	93.419	103.617	-10.198	-9,84%
Write-downs on non-performing loans	-52.098	-49.247	-2.850	5,79%
Total write-downs	-59.642	-65.165	5.524	-8,48%
Total net lending to ordinary customers	**2.837.661**	**3.030.385**	**-192.724**	**-6,36%**
Receivables from Pontormo RMBS	7.959	10.720	-2.761	-25,76%
Receivables from Pontormo SME	10.588	14.221	-3.633	-25,55%
Receivables from the Post Office	266	264	1	0,47%
Receivables from C.C. & G.	6.427	24.138	-17.712	-73,38%
Receivables from C.D.P.	0	0	0	#DIV/0!
Total other net uses	**25.239**	**49.344**	**-24.105**	**-48,85%**
Total loans to customers	**2.862.900**	**3.079.729**	**-216.829**	**-7,04%**

Credit Quality

The following tables show the figures for loans to customers broken down by category, with an indication of the gross value, total adjustments, net value and coverage ratio for each, as well as a series of indicators aimed at providing a summary representation of credit quality for the individual companies in the Group:

CREDIT QUALITY - VALUES AS AT 31/12/2024				
	Exposure gross	Adjustments total	Exposure net	Degree of coverage
ON-BALANCE-SHEET CREDIT EXPOSURES				
Stage 3 - Loans and advances to customers - non-performing loans	93.419	52.098	41.321	55,77%
Stage 3 - Loans and advances to customers - UTP	119.513	39.619	79.895	33,15%
Stage 3 - Loans and advances to customers - Overdue	19.869	2.614	17.255	13,15%
Total impaired loans	**232.801**	**94.330**	**138.471**	**40,52%**
Stage 2 - Loans and advances to customers	294.726	9.028	285.697	3,06%
Stage 1 - Loans and advances to customers	2.447.112	8.381	2.438.731	0,34%
Total performing loans	**2.741.838**	**17.409**	**2.724.429**	0,63%
Total loans and advances to customers	**2.974.639**	**111.739**	**2.862.900**	**3,76%**
Total Cash Credit Exposures	**2.974.639**	**111.739**	**2.862.900**	**3,76%**

The Group's impaired loans to customers measured at amortised cost amounted to a gross value of € 232.8 million, to which specific value adjustments of € 94.3 million were associated, resulting in a net value of € 138.5 million.

The coverage ratio of impaired loans to customers measured at amortised cost as of 31 December 2024 was 40.52%. In particular, the aforementioned impaired loans, classified according to the provisions of IFRS 9 "Financial Instruments" in the so-called "third stage", include non-performing loans for a net value of € 41.3 million, with a coverage ratio of 55.77% and probable defaults for a net value of € 79.9 million, with a coverage ratio of 33.15%.

The Group's non-impaired loans to customers valued at amortised cost amounted to a gross value of € 2,741.8 million, to which portfolio adjustments of € 17.4 million were associated, and a resulting net value of € 2,724.4 million, showing a coverage ratio of 0.63%. Among them, loans to customers for non-impaired loans at higher risk are essentially classified in the so-called 'second stage', amounting to €294.7 million gross with a coverage ratio of 3.06%.

CREDIT QUALITY INDICES				
	Bank Change	Change Leasing	Property	Group
	31/12/2024	31/12/2024	31/12/2024	31/12/2024
% OF NET RECEIVABLES				
% Net non-performing loans out of total loans	1,23%	2,28%	0,00%	1,44%
% Net probable defaults on total loans	2,44%	3,77%	0,00%	2,79%
% Net overdue on total net loans	0,45%	1,52%	0,00%	0,60%
% Total net impaired loans on total net loans	4,12%	7,57%	0,00%	4,84%
% OF GROSS RECEIVABLES				
% Gross non-performing loans out of total gross loans	2,92%	2,76%	0,00%	3,14%
% Gross probable defaults on total loans	3,64%	4,39%	0,00%	4,02%
% Gross overdue on total loans	0,52%	1,57%	0,00%	0,67%
% Total gross impaired loans out of total gross loans	7,07%	8,72%	0,00%	7,83%
% COVERAGE				
% coverage on non-performing loans	59,42%	18,67%	0,00%	55,77%
% coverage on Impaired Other	32,90%	12,86%	0,00%	30,30%
% of coverage on total Deteriorated	43,83%	14,70%	0,00%	40,52%
% coverage on performing loans	0,60%	0,38%	0,00%	0,63%

Texas ratio				63,70%

Overall collection

The table below shows the breakdown of total funding from ordinary customers as at 31 December 2024 compared with the figures as at 31 December 2023.

ECONOMIC COLLECTION				
figures in €/000				
Description	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
Due to customers	3.613.729	3.334.734	278.995	8,37%

ECONOMIC COLLECTION				
figures in €/000				
Description	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
Outstanding Securities	115.782	172.421	-56.639	-32,85%
Total direct deposits	**3.729.511**	**3.507.155**	**222.356**	**6,34%**
Indirect - Administered	1.047.055	943.046	104.009	11,03%
Indirect - Funds	129.354	112.685	16.670	14,79%
Indirect - GPM	124.700	87.598	37.101	42,35%
Indirect - Insurance	321.955	418.034	-96.079	-22,98%
Indirect deposits	**1.623.064**	**1.561.363**	**61.701**	**3,95%**
Overall collection	**5.352.575**	**5.068.517**	**284.058**	**5,60%**

Type of transactions/values	31/12/2024	31/12/2023	Variation	Change %
1. Current accounts	2.715.477	2.743.863	-28.386	-1,03%
2. Deposits	31.752	37.576	-5.824	-15,50%
3. Time deposit	850.799	529.969	320.831	60,54%
4. P.C.T. with ordinary customers	0	12.319	-12.319	-100,00%
5. Certificates of Deposit	0	15	-15	-100,00%
6. Bonds	115.782	172.406	-56.623	-32,84%
7. Lease Payables	13.963	10.104	3.859	38,19%
8. Other Payables	1.737	902	835	92,63%
Total direct deposits	**3.729.511**	**3.507.155**	**222.356**	**6,34%**

Total funding (direct, administered, managed and insurance) stood €
EUR 5,353 million, an increase of€ 284 million (+5.60%) over the figure as at 31 December 2023
mainly attributable to the parent company.

In particular, the item Due to customers increased by €279 million (+8.37%) due to the increase in time deposits (+60.54%), while the item Securities in issue decreased by € 56.6 million (-32.84%) due to the redemption of bonds that matured during the reporting period.

Indirect deposits increased € 61.7 million (+3.95%) during the period, attributable to the increase in the components of assets under administration, GPM and mutual funds for a total of€ 157.8 million (+ 13.80%), partially offset by the decrease in the insurance segment.

Financial collection

The table below shows the breakdown of total funding from banks and institutional counterparties as at 31 December 2024 compared with the figures as at 31 December 2023.

FINANCIAL COLLECTION				
figures in €/000				
Description	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
Due to banks	111.102	641.072	-529.970	-82,67%
Due to institutional counterparties	195.774	304.662	-108.889	-35,74%
Total Financial Inflows	**306.875**	**945.734**	**-638.858**	**-67,55%**

Type of transactions/values	31/12/2024	31/12/2023	Variation	Change %
1. Eurosystem operations	0	549.300	-549.300	-100,00%
Due to central banks	**0**	**549.300**	**-549.300**	**-100,00%**
2. Current accounts	103.494	86.177	17.317	20,09%
3. Deposits	0	0	0	0,00%
4. Gold financing from banks	7.607	5.594	2.013	35,99%
5. Mortgages payable	0	0	0	0,00%
Due to other banks	**111.102**	**91.772**	**19.330**	**21,06%**
Total due to banks	**111.102**	**641.072**	**-529.970**	**-82,67%**
6. P.C.T. others	128.924	203.249	-74.325	-36,57%
7. Funding taken from C.D.P.	0	0	0	0,00%
8. Liabilities in respect of assets sold	66.849	101.413	-34.564	-34,08%

FINANCIAL COLLECTION				
figures in €/000				
Description	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
Total payables to institutional counterparties	**195.774**	**304.662**	**-108.889**	**-35,74%**
Total financial collection	**306.875**	**945.734**	**-638.858**	**-67,55%**

Financial Inflows stood at € 307 million as at 31 December 2024 with a reduction of € 639 million (- 67.55%) compared to 31 December 2023 due to the reduction in liabilities to central banks for -€ 549 million as a result of the total repayment of TLTROIII deposits made by the Parent Company in March and September 2024 in adherence to the provisions of the business plan and liabilities to institutional counterparties for€ 108,9 million (-35.74%) as a result of the reduction in repurchase agreements of€ 74.3 million and the repayment of the maturing portion of the liabilities acquired against the securitisation transaction concluded in September 2023 for € 34.6 million.

Net interbank position

NET INTERBANK POSITION

LOANS TO BANKS				
figures in €/000				
Type of transactions/values	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
1. Current accounts and sight deposits with central banks	78.000	278.062	-200.062	-71,95%
2. Reserve requirements	28.094	29.508	-1.413	-4,79%
Claims on central banks	**106.094**	**307.569**	**-201.475**	**-65,51%**
3. Current accounts and sight deposits with banks	38.042	47.678	-9.636	-20,21%
4. Maturity Deposits	50.098	50.112	-14	-0,03%
5. Repos	70.107	0	70.107	0,00%
6. Other Financing	0	0	0	0,00%
Loans and advances to other banks	**158.248**	**97.790**	**60.458**	**61,82%**
Total credits (A)	**264.342**	**405.359**	**-141.018**	**-34,79%**

DUE TO BANKS				
figures in €/000				
Type of transactions/values	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
1. Eurosystem operations	0	549.300	-549.300	-100,00%
Due to central banks	**0**	**549.300**	**-549.300**	**-100,00%**
2. Current accounts	103.494	86.177	17.317	20,09%
3. Deposits	0	0	0	0,00%
4. Gold financing from banks	7.607	5.594	2.013	35,99%
5. Mortgages payable	0	0	0	0,00%
Due to other banks	**111.102**	**91.772**	**19.330**	**21,06%**
Total payables (B)	**111.102**	**641.072**	**-529.970**	**-82,67%**
Credit/debit balance (A) - (B)	**153.240**	**-235.712**	**388.952**	**165,01%**
Imbalance with central banks	**106.094**	**-241.731**	**347.825**	**143,89%**
Interbank balance with other banks	**47.146**	**6.019**	**41.127**	**683,34%**

The net interbank position as at 31 December 2024 was positive by € 153 million with an increase of € 389 million (165.01%) compared to the figure recorded as at 31 December 2023 mainly due to the repayment of TLTROIII deposits by the Parent Company in March and September 2024.

Accounting Net Assets

As at 31 December 2024, book equity amounted to €291.2m, an increase compared to the figure as at 31 December 2023 of€ 274.4m, as shown in the table below. The change is attributable to the profit of period and the increase in fair value recorded on securities allocated in the HTCS portfolio for € 6.7 million net of the tax effect.

COMPOSITION OF CONSOLIDATED ASSETS				
figures in €/000	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
Capital	252.800	252.800	0	0,00%
Issue surcharges	803	803	0	0,00%
Capital instruments	40.000	40.000	0	0,00%
Reserves	-17.545	-35.814	18.269	-51,01%
(Own shares)	0	0	0	0,00%
Valuation Reserves	-1.064	-7.783	6.719	-86,33%
Third-party assets	1.255	1.185	70	5,90%
Total (excluding result for the period)	**276.249**	**251.192**	**25.057**	**9,98%**
Profit (loss) the year	14.958	23.166	-8.209	-35,43%
Total consolidated shareholders' equity	**291.207**	**274.358**	**16.849**	**6,14%**

Economic result

The financial year 2024 ended with a net profit of€ 14,958 thousand, of which€ 70 pertaining to minority interests.

Below, we provide, in thousands of Euro, the main economic aggregates as of 31 December 2024 compared to the same figure as of 31 December 2023.

The results are presented in the reclassified version with respect to the accounting schemes provided for in the Circular
262/2005 and subsequent updates by the Bank of Italy [2] . The main reclassifications concern the following items:

- the item 'Commission expense' was reduced by commissions recovered from customers and allocated to item 200 'Other operating charges/income';
- the item "Net result on finance" includes items 80, 90, 100, and 110 of the balance sheet, net of the components of gains and losses related to the sale of loans reclassified under the item "Net value adjustments on loans to customers";
- the item "Other net operating income/expenses" was reduced by recoveries of fees and expenses, which were deducted from the related cost items, expenses for lawsuits covered using pre-existing funds;
- the item 'Staff expenses' was reduced by the recovery of staff expenses allocated to item 200 'Other operating expenses/income';
- The item 'Other administrative expenses' was stated net of the following components:
  - recoveries of indirect taxes and other costs, allocated to item 200 "Other operating income and expenses" of the accounting schedule;
  - contributions to the SRF and FITD funds, reclassified under the specific item "Charges related to the banking system";

  This item, net of the above reclassifications, provides a better representation of the bank's management cost dynamics.
- The item 'Value Adjustments on Tangible and Intangible Assets' was reduced by the amortisation of intangible assets recognised as a result of the PPA of the acquired business , reclassified under the item 'Impairment of Goodwill / Amortisation of Intangible Assets (PPA)';
- The item "Net value adjustments on loans to customers" includes items 130(a) and 140 of the schedule accounting and gains and losses from the sale of receivables as specified above;
- the item "Net accruals to the provisions for and charges" was reduced by expenses for lawsuits covered by provisions for risks set aside in previous years, which were allocated to item 200 "Other operating income and expenses" in the balance sheet;
- the item "Charges related to the banking system" includes contributions paid to the SRF (Single European Resolution Fund) and FITD (Interbank Deposit Protection Fund) reclassified under item 160 b "Other administrative expenses";

[2] For more details on how the reclassified statements are presented, please refer to the annex 'Reconciliation of the Reclassified Balance Sheet and Reclassified Income Statement with the Financial Statements'.

Reclassified profit and loss account

(figures in thousands)

Items Income Statement	31/12/2024	31/12/2023	Variations amounts	Variations %
Interest and similar income	180.234	167.318	12.917	7,72%
Interest expenses and similar charges	-95.726	-76.247	-19.479	25,55%
Interest margin	84.508	91.070	-6.562	-7,21%
Dividends and similar income	544	589	-44	-7,53%
Financial Margin	85.052	91.659	-6.607	-7,21%
Commission income	36.142	36.502	-360	-0,99%
Commissions payable	-5.627	-5.451	-176	3,23%
Net commissions	30.515	31.051	-536	-1,73%
Net result from finance	7.619	11.168	-3.550	-31,78%
Other net operating income/expenses	-85	1.115	-1.200	-107,63%
Other operating income	38.049	43.334	-5.285	-12,20%
Operating income	123.101	134.993	-11.892	-8,81%
Personnel Expenses	-35.805	-33.723	-2.082	6,17%
Other administrative expenses	-31.980	-33.230	1.250	-3,76%
Net value adjustments/reversals on tangible and intangible assets	-7.292	-7.251	-40	0,55%
Net result of fair value measurement of assets tangible and intangible	0	91	-91	-100,00%
Operating expenses	-75.076	-74.113	-964	1,30%
Result from operations	48.025	60.880	-12.855	-21,12%
Net value adjustments on loans to customers	-27.496	-25.292	-2.204	8,72%
Net Value Adjustments on Securities and Other Financial Assets	284	344	-59	-17,30%
Net provisions for risks and charges: guarantees and commitments	-291	-113	-178	157,10%
Net value adjustments for credit risk	-27.503	-25.062	-2.442	9,74%
Net provisions for liabilities and charges: other	1.801	-198	1.999	-1010,15%
Gains (Losses) from participations	442	-324	767	-236,34%
Gains (Losses) on disposal of investments	-234	89	-323	-364,08%
Charges related to the banking system (contributions to DGS and FITD funds)	-3.971	-5.950	1.979	-33,26%
Gross income from current operations	18.560	29.434	-10.875	-36,94%
Income tax for year on current operations	-3.067	-7.143	4.076	-57,06%
Net result from current operations	15.493	22.292	-6.799	-30,50%
PPA	0	1.291	-1.291	-100,00%
Amortisation of intangible assets recognised in application IFRS3 (PPP)	-465	-272	-193	71,03%
Profit (Loss) from discontinued operations net of taxes	0	-70	70	-100,00%
Profit (loss) the year	15.028	23.241	-8.214	-35,34%
Minority interest in profit (loss) the year	70	75	-5	-6,98%
Profit (Loss) the Year Attributable to the Parent Company	14.958	23.166	-8.209	-35,43%

Net interest income amounted to€ 84.51 million, down from the figure as at 31 December 2023.

Within the aggregate, the component relating customer intermediation showed a decrease of€ 28.2 million, equal to -€ 26.48% compared to 2023 due to effect of the increase in rates paid to customers on the more stable component of direct funding represented by time deposits, while the component relating to bank intermediation showed a positive contribution of€ -1,9 million, a significant increase compared to the figure of -€ 16.8 million reported at 31 December 2023 due to the increase in interest income received on sums deposited with the Bank of Italy and the simultaneous reduction in interest paid on deposit liabilities with particular reference to TLTROIII transactions, which fell from -€ 24.6 million to -€ 11.9 million.

The portion attributable to securities increased as a result of the increase in interest received on financial assets represented by securities, while the portion attributable to other financial assets and liabilities showed a decrease as the cost of liabilities issued against assets sold and not derecognised was greater than the increase in interest income received on tax credits.

That being said, the table below provides a breakdown of the interest margin.

	INTEREST MARGIN				
	figures in €/000	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
TOTAL	Interest and similar income	180.234	167.318	12.917	7,72%
	Interest expenses and similar charges	-95.726	-76.247	-19.479	25,55%
	Overall interest margin	**84.508**	**91.070**	**-6.562**	**-7,21%**

	INTEREST MARGIN				
	figures in €/000	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
with CLIENTELA	Interest and similar income	148.604	147.388	1.216	0,83%
	Interest expenses and similar charges	-70.313	-40.894	-29.419	71,94%
	Customer Interest Margin	**78.291**	**106.494**	**-28.203**	**-26,48%**
with BANKS	Interest and similar income	15.996	9.890	6.106	61,74%
	Interest expenses and similar charges	-14.098	-26.731	12.634	-47,26%
	of which: interest on TLTROIII	*-11.860*	*-24.595*	*12.734*	-51,78%
	Margin interest with the banking system	**1.898**	**-16.842**	**18.740**	**-111,27%**
on TITLES	Interest and similar income	10.081	6.391	3.690	57,75%
	Interest expenses and similar charges	-6.782	-6.981	199	-2,85%
	Interest margin on securities	**3.299**	**-590**	**3.889**	**-659,22%**
OTHER	Interest and similar income	5.553	3.649	1.904	52,19%
	Interest expenses and similar charges	-4.533	-1.641	-2.892	176,23%
	Residual interest margin	**1.020**	**2.008**	**-988**	**-49,21%**

Net commissions amounted to € 30.5 million, down from the figure reported at 31 December 2023. In particular, there was a slight decrease in commissions related to the distribution of third-party services, due to the reduction in the underwriting of insurance policies, and in commissions received on management, brokerage and advisory services; this reduction was partially offset by the increase recorded during the year in commissions received on "traditional" services (commissions for collection and payment services and commissions on current accounts).

	NET COMMISSIONS				
	figures in €/000	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
TOTAL	Commission income	36.142	36.502	-360	-0,99%
	Commissions payable	-5.627	-5.451	-176	3,23%
	Total net commissions	**30.515**	**31.051**	**-536**	**-1,73%**
from management, brokerage and consultancy	Commission income	5.029	6.080	-1.051	-17,29%
	Commissions payable	-2.144	-2.130	-14	0,66%
	Net commissions	**2.885**	**3.950**	**-1.065**	**-26,96%**
from the distribution of third-party services	Commission income	4.545	4.684	-139	-2,97%
	Commissions payable	-182	-237	54	-22,98%
	Net commissions	**4.362**	**4.447**	**-85**	**-1,91%**
from payment services	Commission income	21.866	20.962	904	4,31%
	Commissions payable	-1.986	-2.025	39	-1,92%
	Net commissions	**19.880**	**18.937**	**942**	**4,98%**
from other services	Commission income	4.703	4.777	-73	-1,53%
	of which: financing transactions and guarantees given	*1.579*	*1.641*	*-62*	-3,79%
	Commissions payable	-1.315	-1.060	-255	24,07%
	Net commissions	**3.388**	**3.717**	**-328**	**-8,83%**

Operating income amounted to € 123 million as at 31 December 2024, a decrease of € 11.9 million (- 8.81%) compared to the figure as at 31 December 2023.

OPERATING INCOME				
figures in €/000	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
Interest margin	**84.508**	**91.070**	**-6.562**	**-7,21%**
Dividends and similar income	544	589	**-44**	**-7,53%**
Financial Margin	**85.052**	**91.659**	**-6.607**	**-7,21%**
Total net commissions	**30.515**	**31.051**	**-536**	**-1,73%**
Net result from finance	7.619	11.168	**-3.550**	**-31,78%**
Other net operating income/expenses	-85	1.115	**-1.200**	**-107,63%**
Operating income	**123.101**	**134.993**	**-11.892**	**-8,81%**

As can be seen from the table, the reduction in operating income is due to the decrease in Net Profits from Financial Instrument Trading of Euro 3.6 million and Other Operating Income of Euro 1.2 million, which is in addition to the reduction in net commissions and financial margin already detailed above.

In particular, the reduction in Net Profits from Trading in Financial Instruments, totalling € -3.6 million, is attributable to the reduction in Net Profits from Trading for a total of € -0.7 million resulting from the reduction in realised gains on securities trading for € -0,9 million and profits realised on tax credits acquired from customers for € -1.3 million, only partly offset by the increase in exchange gains (+€ 1.4 million) and the reduction in the value of financial assets mandatorily measured at fair value for a total of -€ 2.7 million, mainly attributable to the valuation of the "FIA" funds allocated to the portfolio in question.

NET RESULT OF FINANCE				
figures in €/000	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
NET RESULT OF FINANCE	**7.619**	**11.168**	**-3.550**	**-31,78%**
Net trading income	**9.499**	**10.226**	**-727**	**-7,11%**
(a) Currencies	3.461	2.022	1.440	71,20%
(b) Financial assets FVTPL Trading	3.095	3.994	-899	-22,50%
c) Other financial assets (tax receivables)	2.943	4.211	-1.268	-30,11%
Net result from hedging activities	**0**	**0**	**0**	**#DIV/0!**
Valuation gains/losses - Hedging derivatives	0	0	0	#DIV/0!
Gains (losses) on disposal or repurchase of:	**2.260**	**2.364**	**-104**	**-4,40%**
a) Financial assets measured at FV with impact to OCI	965	666	299	44,98%
(b) Financial assets measured at CA	1.274	1.542	-267	-17,34%
c) Financial liabilities	20	157	-136	-86,98%
Net result Financial assets and liabilities measured at FV with impact on CE	**-4.141**	**-1.422**	**-2.719**	**191,23%**
Financial assets mandatorily measured at fair value	-4.141	-1.422	-2.719	191,23%

With reference to the item **Other operating income/expenses**, the decrease compared to the figure recognised as of 31 December 2023 (-€ 1,200 thousand) is attributable to the decrease in Other income in the amount of -€ 736 thousand and the increase in Other expenses in the amount of -€ -362 thousand.

	OTHER OPERATING INCOME AND EXPENSES				
	figures in €/000	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
TOTAL	Other operating income	1.703	2.439	-736	-30,19%
	Other operating charges	-1.788	-1.324	-464	35,02%
	Other net income	**-85**	**1.115**	**-1.200**	**-107,63%**
Other income	Contingent assets	56	765	-709	-92,69%
	Other income	1.647	1.674	-27	-1,61%
	Other income	**1.703**	**2.439**	**-736**	**-30,19%**
Other charges	Depreciation of third-party assets	-229	-215	-13	6,25%
	Expenses for lawsuits not covered by Funds	-7	-12	4	-37,32%
	Contingent liabilities	-247	-155	-92	59,44%
	Other charges	-1.304	-942	-362	38,48%
	Other charges	**-1.788**	**-1.324**	**-464**	**35,02%**

Operating expenses as at 31 December 2024 were€ 75.1 million, an increase of€ 873 thousand (1.30%) compared to the figure recorded on 31 December 2023 as shown in the table below.

OPERATING COSTS				
figures in €/000	**31/12/2024**	**31/12/2023**	**Variation**	**Variation %**
Administrative expenses:	-67.785	-66.952	-832	1,24%
(a) personnel expenses	-35.805	-33.723	-2.082	6,17%
(b) other administrative expenses	-31.980	-33.230	1.250	-3,76%
Net value adjustments/reversals on tangible and intangible assets	-7.292	-7.251	-40	0,55%
Net result of fair value measurement of tangible and intangible assets	0	91	-91	-100,00%
Operating Costs	**-75.076**	**-74.113**	**-873**	**1,30%**

In particular, personnel expenses increased by € 2.1 million as a result of the charges associated with the renewal of the sector contract in the second half of 2023 and the reduction in reimbursements of training expenses, while other administrative expenses, net of expected recoveries, decreased by € -1.3 million as the increases recorded in tax expenses (mainly stamp duty) for € -941 thousand and advertising expenses for € -301 thousand, are offset by the increase in recoveries of administrative expenses from customers for € 1.396 thousand and the reduction in expenses for electricity and for information and searches for a total of € 570 thousand.

The **net result from current operations** decreased compared to the figure as at 31 December 2023, to € 18.6 million, a decrease of € 10.9 million.

Net value adjustments on loans to customers showed an increase compared to those recorded last year totalling -€2,204 thousand as the increase in valuation adjustments of - € 6.617 thousand - was only partially offset by lower losses recorded on the sale of NPL loans concluded by the Bank, in accordance with the business plan, in the last quarter of the year with an impact on the income statement of a total of -€ 569 thousand (-€ 5,514 thousand as at 31/12/2023 with a reduction of € 4,945 thousand) .

With particular reference to the net value adjustments arising from the valuation of loans in the portfolio as at 31 December 2024, increase recorded derives not only from higher analytical value adjustments made on positions classified as NPLs, but also from the revision of the criteria for determining management overlays - carried out for both the Parent Company and Cambiano Leasing - and from the updating of macroeconomic scenarios.

With reference to management overlays, the Bank's Board of Directors, at its meeting on 19 December, resolved to release the add-ons aimed at coping with the risks arising from the increase in interest rates and inflationary pressure (amounting to €2.12m as at 31 December 2023) and, given the persistent signs of particular riskiness in the European real estate market for commercial collateral, resolved to maintain the add-ons relating to exposures to companies secured by commercial real estate.

The maintenance of the identified management overlays led, with reference to the Bank's loan portfolio as at 31/12/2024, to an increase impairment on Stage 1 about € 169 thousand and an increase in impairment on Stage 2 of about €359 thousand, resulting in a total add-on of € 528 thousand.
In light of the growing relevance in terms of the economic impact of climate and environmental risks, management overlays were determined to protect against these risks, as a first approach for the inclusion of the so-called ESG effects in the calculation of write-downs. Therefore, the inclusion of specific add-ons on the write-downs of the positions classified as Stage 1 and Stage 2 most impacted by physical and transition risk within the loan portfolio was envisaged. In particular:

- For physical risk, i.e., the risk of incurring financial losses acute environmental events such as floods, hurricanes and heatwaves, or chronic changes such as rising sea levels or rising average temperatures, the Risk Management Function proposes to include a write-down add-on based on an increase in the Loss Given Default (LGD) rate for counterparties most impacted by such risk. The scope of application will include both real estate registered as company headquarters and positions backed by real estate collateral.
- for transition risk, that is, the risk of incurring potential negative effects from the transition process to a low-carbon economy, given that the companies most exposed to this risk could suffer increased operating costs, reduced demand for their products or services, or increased difficulty accessing credit, the Risk Management Function proposes to include an impairment add-on to reflect the increased probability of default of counterparties most affected by transition risks.

The introduction of management overlays on climate and environmental risks resulted, with reference to the Bank's loan portfolio as at 31/12/2024, in an increase in impairment on Stage 1 of about € 694 thousand and an increase in impairment on Stage 2 of about € 1.42 million.
The total amount of add-ons applied on the Bank's loan portfolio at the reference date of 31/12/2024 therefore amounted to € 2.65 million, divided into € 863 thousand on Stage 1 and € 1.78 million on Stage 2. In addition to the impact on write-downs of the application of the add-on criteria outlined above, it is necessary to consider the integration of the effects due to the updated macroeconomic scenarios based on the most recent projections published by the Bank Italy (so-called Forward Looking components) with reference to December 2024. These updates led to an increase in impairment losses of € 968 thousand on performing positions and € 567 thousand on nonperforming positions valued on a lump-sum basis.
Consistently with the Parent's policies, for the subsidiary Cambiano Leasing, specific add-ons were inserted on the write-downs of the positions classified as Stage 1 and Stage 2 most impacted by physical and transition risk, based respectively on an increase in the Loss Given Default (LGD - rate of loss in the event of default) and the probability of default of the counterparties most impacted by these risks within the credit portfolio. In addition, again in continuity with the Parent Company, the management overlays relative to real estate leasing contracts inherent to commercial real estate were maintained, applying a specific worsening Loss Given Default (LGD - rate of loss in the event of default). This implementation resulted in a total add-on for Cambiano Leasing of €351 thousand at 31 December 2024.

GROSS RESULT FROM CURRENT OPERATIONS				
figures in €/000	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
Operating income	**123.101**	**134.993**	**-11.892**	**-8,81%**
Operating expenses	**-75.076**	**-74.113**	**-964**	**1,30%**
Result from operations	**48.025**	**60.880**	**-12.855**	**-21,12%**
Net value adjustments on loans to customers	-27.496	-25.292	**-2.204**	**8,72%**
of which: gains/losses on disposal	*-569*	*-5.514*	***4.945***	***-89,67%***
of which: net value adjustments	*-26.532*	*-19.915*	***-6.617***	***33,23%***
of which: profit/loss from contractual changes	*-395*	*137*	***-532***	***-387,62%***
Net Value Adjustments on Securities and Other Financial Assets	284	344	**-59**	**-17,30%**
Net provisions for risks and charges: guarantees and commitments	-291	-113	**-178**	**157,10%**
Net value adjustments for credit risk	**-27.503**	**-25.062**	**-2.442**	**9,74%**
Net provisions for liabilities and charges: other	1.801	-198	**1.999**	**-1010,15%**
Gains (Losses) from participations	442	-324	**767**	**-236,34%**
Gains (Losses) on disposal of investments	-234	89	**-323**	**-364,08%**
Charges related to the banking system (contributions to DGS and FITD funds)	-3.971	-5.950	**1.979**	**-33,26%**
Gross income from current operations	**18.560**	**29.434**	**-10.875**	**-36,94%**

Other income items as at 31 December 2024 included lower net allocations to the Provisions for Risks and Charges of € 2 million, income from equity investments totalling € 0.4 million - an increase of € 767 thousand compared to last year - and lower charges for contributions to the DGS and FITD Funds of € 2 million.

GROSS AND NET PROFIT FOR THE YEAR				
figures in €/000	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
Gross income from current operations	18.560	29.434	-10.875	-36,94%
Income tax for year on current operations	-3.067	-7.143	4.076	-57,06%
Net result from current operations	**15.493**	**22.292**	**-6.799**	**-30,50%**
PPA	0	1.291	-1.291	-100,00%
Goodwill Impairment / Amortisation of Intangible Assets	-465	-272	-193	71,03%
Profit (Loss) from discontinued operations after tax	0	-70	70	-100,00%
Profit (loss) the year	**15.028**	**23.241**	**-8.214**	**-35,34%**
Minority interest in profit (loss) the year	70	75	-5	-6,98%
Profit (Loss) the Year Attributable to the Parent Company	**14.958**	**23.166**	**-8.407**	**-36,29%**

The result for the year was negatively impacted by the amortisation of the intangible asset recognised in 2023 at the time of the acquisition of the BCC for WEB business unit, for € -465 thousand, shown under the item "Impairment of goodwill / Amortisation of intangible assets recognised in application of IFRS 3 (PPA)".

Capital adequacy and regulatory ratios

One of the main points of the Group's strategy is the careful management of asset components both in terms of their size and their dynamics. The evolution of assets is decisive to accompany the responsible dimensional growth and represents the main and decisive reference for the definition of development plans. In this sense, since 2019 the group has formalised and adopted a Capital Management Plan for an organic governance action in terms of constant verification of current and prospective capital adequacy levels. The Plan was last updated at the Parent Company's Board Directors' meeting of 29 January 2025 jointly with the adoption of the 2025-2029 Business Plan. The management generates a planned report to top management and the matter is systematically monitored by the Risk Management function, since total capital is also a decisive reference data in terms of prudential supervision.

Below is the final consolidated shareholders' equity as at 31 December 2024 (which includes the profit 31 December 2024) compared with that at 31 December 2023:

OWN FUNDS AND CAPITAL ADEQUACY AS AT 31/12/2024				
figures in €/000		**31/12/2024**	**31/12/2023**	**Change %**
Total Primary Tier 1 capital (Common Equity Tier 1 - CET1)		246.760	228.439	8,02%
Total Additional Tier 1 capital (AT1)		40.000	40.000	0,00%
Total Tier 1 capital (Tier 1 - T1)		**286.760**	**268.439**	6,83%
Total Tier 2 capital (Tier 2 - T2)		56.649	64.752	-12,51%
Total Own Funds (T1+ T2)		**343.410**	**333.191**	**3,07%**
REQUENTIAL REGULATORY CAPITAL REQUIREMENTS				
figures in €/000	**31/12/2024**	**31/12/2023**	**Differences**	**Change %**
Credit and Counterparty Risk	116.846	122.739	-5.893	-4,80%
Market Risk	3.002	2.550	452	17,72%
Operational Risk	20.739	19.598	1.141	5,82%
Credit rating adjustment risk	11	16	-6	-34,97%
Total prudential requirements (8% of risk-weighted assets)	**140.5G7**	**144.G03**	**-4.306**	**-2,G7%**

OWN FUNDS AND CAPITAL ADEQUACY AS AT 31/12/2024			
figures in €/000	**31/12/2024**	**31/12/2023**	**Change %**
Risk-weighted assets (RWA)	1.757.458	1.811.289	-2,97%
Primary Tier 1 capital/risk-weighted assets (CET1 ratio)	14,04%	12,61%	1,43%
Tier 1 capital/risk-weighted assets (Tier 1 ratio)	16,32%	14,82%	1,50%
Own funds/risk-weighted assets (Total capital ratio)	19,54%	18,40%	1,14%

Shareholders' equity as at 31 December 2024 amounted to € 343 million, an increase over the previous year of € 10 million mainly due to the following factors:

- the reduction in the negative valuation reserve due to the performance of securities classified in the HTCCS portfolio (+€6.7m plus€ €2.1m from the application of the transitional regime on gains and losses on sovereign debt securities valued at FVOCI outstanding in 2023);
- the reduction of the positive economic result for the period (-€ 7.6m compared to the previous year);
- the increase in reserves mainly due to the profit for financial year 2023 (+€ 18.3 mln);
- the reduction in the eligibility of T2 instruments issued in previous years (-€8m).

Below are the schedules of the bonds included, even partially, in own funds:

Subordinated bond prospectus

OBLIGATION	DESCRIPTION	ISIN	EXPIRY DATE	RATE	AMOUNT
480001	CAMB 18-25 4% SUB	IT0005337719	28/06/2025	4,00	30.000.000

OBLIGATION	DESCRIPTION	ISIN	EXPIRY DATE	RATE	AMOUNT
483001	CAMB 19-21 4% SUB /PRO	IT0005371270	10/06/2029	4,00	5.000.000
484001	CAMB 18-29 STEP SUB /PRO	IT0005376287	20/06/2029	5,00	1.000.000
485001	CHANGE 19-29 4% SUB /PRO	IT0005385668	25/09/2029	4,00	2.000.000
488001	CAMB 19-29 STEP SUB /PRO	IT0005391518	05/12/2029	5,00	1.000.000
501001	CAMB 22-29 5% SUB	IT0005487118	15/03/2029	5,00	2.000.000
503001	CAMB 22-30 3% SUB	IT0005495574	16/05/2030	3,00	3.000.000
504001	CAMB 22-30 3.50% SUB	IT0005498859	29/06/2030	3,50	3.000.000
505001	CAMB 22-30 5% SUB /PRO	IT0005509135	30/09/2030	5,00	2.000.000
506001	CAMB 22-30 TV SUB /PRO	IT0005510059	30/09/2030	8,00	3.000.000
507001	CAMB 22-30 7.50% SUB /PRO	IT0005514960	20/10/2030	7,50	3.000.000
508001	CAMB 22-30 4% SUB	IT0005516395	28/10/2030	4,00	700.000
509001	CAMB 22-30 5.50% SUB	IT0005516403	28/10/2030	5,50	400.000
510001	CAMB 22-30 7% SUB	IT0005523391	07/12/2030	7,00	2.800.000
511001	CAMB 22-30 7% SUB	IT0005527772	29/12/2030	7,00	2.200.000
512001	CAMB 22-30 8% SUB /PRO	IT0005527780	29/12/2030	8,00	5.000.000
513001	CAMB 23-31 7% SUB	IT0005534190	01/03/2031	7,00	800.000
515001	CAMB 23-31 8% SUB /PRO	IT0005554495	29/06/2031	8,00	2.000.000
516001	CAMB 23-31 8% SUB	IT0005558751	10/08/2031	8,00	800.000
517001	CAMB 23-31 7% SUB /PRO	IT0005560534	04/09/2031	7,00	4.500.000
518001	CAMB 23-31 8% SUB /PRO	IT0005560591	04/09/2031	8,00	2.000.000
519001	CAMB 23-31 8% SUB /PRO	IT0005561268	20/09/2031	8,00	500.000
520001	CAMB 23-31 5% SUB /PRO	IT0005561854	26/09/2031	5,00	8.000.000
	TOTAL				**84.700.000**

Prospectus perpetual bonds AT1

OBLIGATION	DESCRIPTION	ISIN	ISSUE DATE	RATE	AMOUNT
490001	BCA CAMB 20-PERP TV SUB /PRO	IT0005427023	23/11/2020	5,00	1.500.000
492001	CHANGE PERPETUAL AT1 492	IT0005429375	15/12/2020	5,00	3.500.000
494001	CHANGE PERPETUAL AT1 494	IT0005429755	21/12/2020	4,75	1.000.000
496001	PERPETUAL EXCHANGE AT1 496	IT0005431777	21/12/2020	5,00	500.000
497001	CHANGE PERPETUAL AT1 497	IT0005432130	28/12/2020	5,00	3.500.000
498001	PERPETUAL CHANGE AT1 498	IT0005439846	30/03/2021	5,00	5.000.000
499001	CHANGE PERPETUAL AT1 499	IT0005454076	11/08/2021	5,00	5.000.000
500001	PERPETUAL CAMB AT1 500	IT0005475055	28/12/2021	5,00	7.000.000
502001	CAMB 22-PERP TV SUB /PRO	IT0005489601	30/03/2022	5,00	3.000.000
521001	CAMB 23-PERP TV SUB /PRO	IT0005566648	10/10/2023	7,00	10.000.000
	TOTAL				**40.000.000**

The capital requirements in force as at 31 December 2024, were defined by letter No. 1069996/23 of 15/06/2023. The amount of capital to be held by the Group, in addition to the regulatory minimum, is determined as follows:

- primary tier 1 capital ratio (CET 1 ratio): 8.00%, composed of a binding measure of 5.50%, of which 4.50% against the regulatory minimum requirements and 1.00% against the additional requirements determined on the basis of the results of the SREP and, for the remainder, the capital conservation buffer component;

- Tier 1 capital ratio (Tier 1 ratio): 9.90%, comprising a binding measure of 7.40%, of which 6.00% against the regulatory minimum requirements and 1.40% against the additional requirements determined on the basis of the SREP results and, for the remainder, the capital conservation buffer component;
- total capital ratio: 12.30%, comprising a binding measure of 9.80%, of which 8.00% against the minimum regulatory requirements and 1.80% against the additional requirements determined on the basis of the results of the SREP and, for the remainder, the capital conservation buffer component.

The capital levels achieved by the Group as at 31 December 2024 are already higher than required.

Shareholders' Equity and Own Funds - Reconciliation of Profit for the Period and Profit to Own Funds

The reconciliation between the items 'profit for year' and 'shareholders' equity' equity' resulting from the parent company and consolidated financial statements, required by Bank of Italy Circular No. 262, is shown in the tables below:

Group Profit Composition	Result for year	Operating result of third parties	Share of consolidated companies a net worth	Consolidation Adjustments	Dividend elimination	Contribution to profit of Group
Banca Cambiano 1884 S.p.A.	14.005	0	0	-276	0	13.729
Real Estate 1884 srl	-100	0	0	0	0	-100
Cambiano Leasing S.p.A.	1.398	-70	0	0	0	1.328
Total	**15.303**	**-70**	**0**	**-276**	**0**	**14.958**

Composition of Group Assets	Net assets	Elimination of net assets with value participation	Minority interests	Adjustment of consolidated holdings to net worth	Elimination of intra-group transactions	Contribution to Group Equity
Banca Cambiano 1884 S.p.A.	271.057	0	0	0	0	271.057
Real Estate 1884 srl	13.653	-13.500	0	0	0	153
Cambiano Leasing S.p.A.	23.709	-18.739	-1.185	0	0	3.784
	308.419	**-32.239**	**-1.185**	**0**	**0**	**274.994**

For the purposes of Regulation No. 575/2013 (CRR) the parent company Ente Cambiano Scpa. The following is the reconciliation statement between Group profit and the relevant profit for the calculation of equity:

RECONCILIATION OF PROFIT FOR THE PERIOD AND PROFIT CONTRIBUTING TO THE CALCULATION OF OWN FUNDS				
figures in €/000		TOTAL AMOUNT	OF RELEVANCE THIRD PARTIES	PERTAINING TO THE GROUP
PROFIT FOR THE PERIOD				
Ente Cambiano s.c.p.a.	Group leader	-199	0	-199
Banca Cambiano s.p.a.	Involved by the Parent Company	14.005	2.030	11.975
Immobiliare 1884 s.r.l.	Involved by Banca Cambiano	-100	-14	-85
Cambiano Leasing s.p.a.	Involved by Banca Cambiano	1.398	262	1.135
Consolidation Adjustments		-1.741	0	-1.741
TOTAL INCOME		**13.363**	**2.278**	**11.085**
Dividends and the Mutual Fund:				
Ente Cambiano s.c.p.a.	Shareholders c/dividends	0	0	0
Ente Cambiano s.c.p.a.	Promotion and Development Mutual Fund of cooperation Law 59/1992	0	0	0
Banca Cambiano s.p.a.	Involved by the Parent Company	-1.069	-155	-914
TOTAL QUOTE DISTRIBUTED		**-1.06G**	**-155**	**-G14**

RECONCILIATION OF PROFIT FOR THE PERIOD AND PROFIT CONTRIBUTING TO THE CALCULATION OF OWN FUNDS				
figures in €/000		TOTAL AMOUNT	OF RELEVANCE THIRD PARTIES	PERTAINING TO THE GROUP
NET PROFIT FOR THE PERIOD				
Ente Cambiano s.c.p.a.	Group leader	-199	0	-199
Banca Cambiano s.p.a.	Involved by the Parent Company	12.936	1.875	11.061
Immobiliare 1884 s.r.l.	Involved by Banca Cambiano	-100	-14	-85
Cambiano Leasing s.p.a.	Involved by Banca Cambiano	1.398	262	1.135
Consolidation Adjustments		-1.741	0	-1.741
PROFIT/LOSS FOR THE PERIOD FROM COUNTING IN OWN FUNDS		**12.2G4**	**2.123**	**10.171**

Organisational modelresearch and development and innovation activities

The Bank's current architectural model is based on outsourcing IT services to Cabel Industry. This strategy aims to make the most of the expertise of the strategic technology partner, while maintaining strict control over the governance and quality of services. At the same time, the Bank makes use of alternative IT providers, such as innovative cloud-based solutions, in order to diversify skills and accelerate digital transformation. On the one hand, such a set-up tends to optimise operating costs, while on the other hand improving efficiency and accelerating the adoption of innovative solutions.

In 2024 the Bank continues to invest significantly in Information Technology support projects
business and ensure regulatory compliance with increasingly complex industry regulations.

With reference to the newly enacted regulations, preliminary assessments have been carried out and project work is underway on the adjustments required by the DORA Regulation, Accessibility Act and Instant Payments. At the same time, the Bank continues to invest in cutting-edge technological solutions on the Digital channel thanks to the definition of the dedicated project plan to improve the customer experience and ensure the Bank's competitiveness on the market. these major projects is the new Qinetic onboarding platform that will be released to customers in 2025.

Below are the main projects implemented during year.

Business projects **Wealth advisory platform**

Configuration activities, testing, internal regulatory updates and network training for the adoption of a wealth advisory IT platform integrated Cabel Industry's core banking, capable of efficiently supporting the advisory process with an investment advisory model, distinguished between a "Basic Advisory" model and an "Evolved Advisory" model. The platform has been in use since January 2025.

Digital Banking Evolution

New internet banking MITO8 Plus: project involves replacing MITO7 internet banking with the MITO8 Plus version. The changeover makes it possible to bridge above all the technological gap of the previous platform, which is no longer able to support the evolution required by the bank, thus aligning the technology and services in use on both internet banking and the mobile app. The new version will be gradually rolled out to customers in the course of 2024, with the final switchover planned for the first quarter of 2025.

New onboarding platform Qinetic

This is an application component dedicated to managing the onboarding process of new customers via the web channel. Substantial new features include the use of OCR technology to extract data from documents uploaded by the customer, the introduction of new automated checks through the integration of database services (Report Persona and CRIF's Report Fraud Analyzer), and the use of Namirial's FEQ in the signature process, integration of innovative customer identification solutions such as SPID, CIE and videoselfie. It is assumed the go live of the new platform by the first half of 2025.

Evolutive app Cambianonline

Enhancement of the mobile channel with some new functionalities, including tax deduction transfers and permanent arrangements, updating of master data and anti-money laundering profile. Added to these are security developments in line with PSD2 that include blocking the opening of the app on compromised devices.

Evolution of the MitoGC corporate banking platform

The integration of some new functionalities was developed, e.g. tax deduction transfers, massive CBILL, sending of portfolio reporting flows to imprest accounts, and the first releases of the so-called 'security package' preparatory to the decommissioning of client workstations and the management of the operation of secondary users.

Invoice advance process digitisation

The aim of the project was to make the process of requesting advance invoices from Corporate customers automated in order to speed up its execution, minimising the manual effort of individual bank operators.

Regulatory projects

ESG Project - Stream Reporting

Procurement of the information set useful for sustainability reporting and ESG risk disclosure within scope of Pillar 3 public disclosure and evaluation of the data by the Bank's Risk Management.

Regulation 2022/2554 Digital Operational Resilience - DORA

In order to comply with the DORA regulation with the support of the consultancy firm KPMG, an assessment was carried out and the Remediation Plan was defined, which contains both the activities in the hands of the outsourcer Cabel, and the internal activities in the hands of the Bank necessary to achieve regulatory compliance. Key activities completed in 2024 include the identification of the resilience strategy, the review of internal policies and procedures, the Business Continuity Plan and the BIA methodology, the identification of essential and important functions and critical suppliers, and the review of the incident management process. Compliance activities are expected to continue during 2025.

Basel IV

Following the conclusion of the implementation of the Basel III Accord in the EU, on 27 October 2021 the European Commission adopted a new legislative package for the revision of the banking prudential regulations (the Banking Package 2021) defined primarily by the Regulation (CRR) and the Directive (CRD4), with the aim of strengthening the resilience of credit institutions against potential future economic shocks. The implementation of the regulatory requirements envisaged by the Banking Package 2021 required the performance of a preliminary analysis, as a result of which transversal adjustment programmes were activated for the target processes aimed at updating the rules for calculating capital absorption from a more risk-sensitive perspective. The implementations will be completed by 2025.

VAT Fraud Directive - CESOP

Directive (EU) 2020/284, with the aim reinforcing the fight VAT fraud, introduced for payment service providers (PSPs), a new reporting obligation to the Internal Revenue Service, aimed at combating cross-border VAT fraud. To this end, an application has been prepared by Cabel Industry, for the identification of cross-border payments and their beneficiaries, if at least 25 payments have been made (in the reporting quarter) to the same beneficiary (even if made by different parties), which must be reported to the Revenue Agency. Subsequently, the Revenue Agency will have to forward the information received to the Central Electronic Payment Information System (CESOP). The first report was sent on 30/04/2024.

EMIR Regulation

The EMIR regulation (EU Regulation No. 648/2012) has undergone a complete overhaul through the entry into force of Regulation (EU) No. 2019/834 (so-called EMIR Refit), which introduced number of innovations aimed at simplifying regulatory obligations and reducing costs. To complement this, six technical standards were published on 7 October 2022 regulation and implementation (RTS and ITS), which have made significant changes to derivatives trade reporting requirementsTherefore, as of 29 April 2024, counterparties and trade are subject to the new reporting standards under EMIR.

SHRD II Directive

The Shareholder Rights Directive 2017/828 (SHRD II) made changes to the previous Directive regarding provisions aimed at ensuring the proper management of relations between listed companies and their shareholders. More , the Shareholder Rights Directive gives listed companies right to identify their shareholders and requires intermediaries to cooperate in this identification process. The project envisaged the provision of the solution proposed by the supplier Elidata for the management of the signalling process in the SHRD II sphere. In addition to the management of the reporting process, the project includes the provision of the GRS web portal to institutions.

New regulatory framework for interest rate risk

The rise in interest rates in recent years has highlighted the need to provide for the careful management, at European level, of interest rate risk, prompting the EBA to publish new "Guidelines on IRRBB and CSRBB" (EBA/GL/2022/14) and a set of regulatory technical standards (RTS) - subsequently adopted with EU Delegated Regulation - with which new criteria were introduced for the identification of internal models for the management of interest rate risk and the assessment and monitoring of credit spread risk. To complete the new regulatory framework, in the summer of 2023, the EBA published new technical implementation standards (ITS) - (EBA/ITS/2023/03) - subsequently adopted by means of Implementing Regulations - with which, on the basis of the proportionality principle, new reporting requirements to the Supervisory Authority on interest rate risk were introduced. At the end of the preliminary analysis carried out on the total of the requirements of the new regulatory framework and the completion of the activities inherent to IRRBB reporting, this project was launched in order to provide for the integration, on the interest rate risk application, of the adjustments required by the new regulatory framework on IRRBB- CSRBB (Guidelines and RTS).

Renewal of Subject Registry:

Similarly to what was envisaged for the Centrale Rischi (CR), with the same Communication of 26 July 2021, the Bank of Italy announced the launch of a project for the functional and technological renewal also of the information systems of the Anagrafe Soggetti (AS), with the aim of innovating them. The application will be based on a new data model that will make it possible to manage with greater flexibility the possible introduction of new attributes useful for identifying personal data, and will adopt the XML format.

The ICT Governance Office, set up in July 2024, takes care of the change management process and oversees the risks associated with the outsourced management of the information system, ensuring that a high level of service is maintained in line with the Bank's needs.

The Organisation Office and ICT Governance Office, within the framework of the Resources and Operations Department, actively participate in the Italian Banking Association, in working groups such as ABILAB and conferences always aimed at deepening technical-organisational issues.

The operational structure

Human Resources

One of the decisive resources the Bank has at its disposal to achieve its objectives is its personnel. The management of human resources must be carried out with special attention and a focus on the objectives of enhancing skills, positive individual peculiarities and loyalty. The corporate result is determined by the appropriate management of resources to make them the real competitive factor, personifying the peculiarities and ethical values, which belong to the tradition of Banca Cambiano as a local bank serving the community. The primary objective of the Personnel Department is to plan and manage plans appropriate size and articulation that allow all employees to develop and consolidate their professional and personal skills. The development of these skills is also pursued through continuous and progressive training of staff, or through work planning with respect to the evolution of one's own role with a view to being able to make a concrete contribution and feel a proactive part of the development that the Group is experiencing.

The following table shows the composition of the Group's employees:

	CAMBIANO BANK 1884			CHANGE LEASING			BANKING GROUP CAMBIANO				
STAFF STRUCTURE	**2024**	**2023**	**Var.**	**2024**	**2023**	**Var.**	**2024**	**%**	**2023**	**%**	**Var.**
COMPOSITION QUALIFICATION											
Managers	4	4	0	1	1	0	5	1,13	5	1,15	0
Quaders	117	111	6	2	2	0	119	26,98	113	25,00	6
Professional areas	303	304	-1	9	10	-1	312	70,75	314	73,62	-2
Internships	5	5	0	0	0	0	5	1,13	5	0,23	0
Total	**42G**	**424**	**5**	**12**	**13**	**-1**	**441**	**100,00**	**437**	**100,00**	**4**
COMPOSITION BY GENDER											
Women	165	161	4	9	9	0	174	39,46	170	38,76	4
Men	264	263	1	3	4	-1	267	60,54	267	61,24	0
Total	**42G**	**424**	**5**	**12**	**13**	**-1**	**441**	**100,00**	**437**	**100,00**	**4**
COMPOSITION BY EDUCATIONAL QUALIFICATION											
Degree	207	205	2	2	2	0	209	47,39	207	47,25	2
Diploma	214	211	3	10	11	-1	224	50,79	222	50,46	2
More	8	8	0	0	0	0	8	1,81	8	2,29	0
Total	**42G**	**424**	**5**	**12**	**13**	**-1**	**441**	**100,00**	**437**	**100,00**	**4**
COMPOSITION BY AGE GROUP											
up to 25 years	6	6	0	0	0	0	6	1,36	6	2,75	0
26 - 35 years	72	88	-16	0	1	-1	72	16,33	89	22,71	-17
36 - 45 years	131	123	8	3	2	1	134	30,39	125	29,82	9
46 - 55 years	131	136	-5	4	6	-2	135	30,61	142	30,73	-7
56 - 60 years	47	42	5	4	3	1	51	11,56	45	9,40	6
over 60 years	42	29	13	1	1	0	43	9,75	30	4,59	13
Total	**42G**	**424**	**5**	**12**	**13**	**-1**	**441**	**100,00**	**437**	**100,00**	**4**
COMPOSITION BY SENIORITY											
up to 3 years	28	40	-12	2	2	0	30	6,80	42	13,76	-12
4 - 8 years	83	91	-8	1	1	0	84	19,05	92	21,10	-8
9 - 15 years	101	98	3	0	0	0	101	22,90	98	26,61	3
16 - 25 years	146	123	23	6	6	0	152	34,47	129	24,31	23
26 - 30 years	34	38	-4	1	4	-3	35	7,94	42	7,80	-7
over 30 years	37	34	3	2	0	2	39	8,84	34	6,42	5
Total	**42G**	**424**	**5**	**12**	**13**	**-1**	**441**	**100,00**	**437**	**100,00**	**4**
FUNCTIONAL DISTRIBUTION											
Central Offices	165	158	7	12	13	-1	177	40,14	171	39,45	6
Branch network	264	266	-2	0	0	0	264	59,86	266	60,55	-2
Total	**42G**	**424**	**5**	**12**	**13**	**-1**	**441**	**100,00**	**437**	**100,00**	**4**

The average age of the Group's personnel is 45; the average length of service is 13 years. In the current competitive context, training proves to be a decisive aspect, necessary to maintain staff skills at high quality levels and to offer highly specialised consultancy services. Equally important was the attention devoted to updating skills for the operation of the 'operating machine', constantly engaged in supporting business functions.

The organisational set-up

The Bank, following the outcome of the periodic review of its organisational structure in order to assess its consistency with the purposes set out in the Supervisory Provisions, has opted to confirm the corporate governance choices made over time and to maintain the traditional administration and control model, as it is considered the most suitable for ensuring the realisation of the corporate programme and preserving the privileged relationship between the Bank and the territories served. The Bank's corporate governance consists of the system of rights, processes and controls set up internally and externally to safeguard the interests of all corporate stakeholders and to ensure the proper functioning of the Company's bodies, with the main objective of ensuring the full balance between the Strategic Supervisory, Executive and Control Functions, and the rigorous analysis, assessment and management of the risks to which the Bank is exposed.

The Bank's Organigram, as amended during the year, is structured into Departments, Areas and Functions (staff and line), with the aim of consciously dealing with risks and opportunities, in relation to the strategies and objectives defined, through a reduced number of reporting lines, in order to immediately grasp the signals coming from the market and from the internal structure itself. The company organisational chart subject to repeated fine-tuning in order to adapt it to the new regulations issued from time to time, but also to the needs dictated by the constant search for commercial effectiveness and cost efficiency.

The Bank has identified its core business in banking and banking, para-banking and insurance services, and has distinguished itself over the years for its 'vocation to the territory' in a reciprocal bond in which the territory is as important to the bank as the bank is to the territory. The bank is a local bank, and identifies its interlocutors in the families/SMEs located in the areas of their respective territories. The bank's 'corporate mission' consists of implementing diversification strategies in an open and competitive market, aiming at product/service quality, analysing customer needs and customising the service itself, combined with a professional risk control strategy that is achieved fundamentally by: diversifying activities, selecting customers and spreading credit risks, correlating the risk factor with the return factor, pursuing the maintenance of a low level of insolvencies and losses. Balance sheet figures are achieved against an economic backdrop of great uncertainty, and in this difficult context, the Bank has always sought to maintain its financial/asset balances related to a close relationship with its customers, accompanying them through the various moments of difficulty. The corporate governance structure is simple and based on adequate instruments of delegation and appropriate control systems. The Bank's 'human' assets are one of our main strengths, and much attention is paid to the education and training of staff and human sensitivities.

The Bank's distribution network is made up of 44 branches, 41 of which are located in the Tuscany Region, its historical territory, and three in Turin, Bologna and Rome. In 2024, the San Giovanni Valdarno branch was relocated to the nearby municipality of Montevarchi to relaunch development in the Arezzo Valdarno.

Analyses of the banking market are recording how retail banking customers' relationships with their main banks are becoming increasingly transactional and, consequently, how many customers are changing their banking horizons. So how can banks rekindle these links? They need to build, through all points of contact, the ability to communicate with each customer in a way that shows they know them well and care about their financial future, just like the old-school local bankers who knew each customer by name and also knew their families and their hopes and needs. What do customers expect? First and foremost, they want banks to reassure them with trust and transparency: they need to know that their bank cares for them as individuals and as a centre of relationships, protecting not only their money but also their financial well-being. Qu By reassuring, reminding and rewarding customers, banks can create deep and defensible bonds that competitors cannot easily overcome. Banks that embark on digital innovation face an equally difficult situation: the more they improve their digital platforms to make financial transactions easier for customers (as customers expect them to do), the more they end up mirroring their competitors. QThis sea of uniformity makes it more difficult to stand out in a crowded and competitive market where even 'new banks' aspire to be 'relationship banks'. Qu As branches close, frustration grows as customers feel they have no real alternatives to solve some of their essential needs. In order to modernise the branch strategy, the possibility of adapting branch types to locations and customer types with advisory centres, a hybrid of digital and personal services, or branches aimed at personal relationships and financial education is being explored: the recently approved Business Plan goes in this direction.

Risk Management and Control

The Board of Directors of the parent company is responsible for verifying the functionality, reliability, adequacy and completeness of the internal control system. In order to fulfil this primary role, the Board of Directors - assisted by the Risk Committee - (an intra-board committee) determines the rules, methods, limits and type and frequency of reporting.

The *Risk Appetite Framework* (RAF) is constantly updated in order to formalise ex-ante the level of risk that the Group considers sustainable and, consequently, the extent of the risks it intends to take on, setting the consequent operational limits.

As required by supervisory regulations, the Group has adopted a Recovery Plan, through which indicators have been identified for each area deemed relevant (capital, liquidity, profitability and asset quality) so as to allow for the activation, in good time, of any possible remedial action, should they be exceeded.

Risk management and control involves the identification of risks relevant to the Group's activities, which concern not only the typical financial and credit intermediation activities, but also the proper structuring and implementation of processes and their compliance with reference regulations.

Assessment, monitoring, organisational safeguards, strategies and mitigation techniques are defined for each risk. Pillar I and Pillar II risks, as defined by the Basel III agreement, are subject to quantification.

For Pillar I risks (credit and counterparty risk, market risk, operational risk), which contribute to the definition of capital requirements, the standardised approaches are adopted, consistent with regulatory provisions. For concentration risk, the regulatory approach and ABI guidelines are adopted. For interest rate risk, an internal model based on the regulatory calculation methodology with behavioural analysis of on-demand items is used. For residual risk, linked to the effective capacity of guarantees to mitigate the risk of loss, a process of prior verification of the eligibility of guarantees is used, under the control of the Compliance and Risk Management Functions. With regard to liquidity risk, the net short-term liquidity position, liquidity gaps and Counterbalancing Capacity trends are calculated. The regulatory indicator of operational liquidity (Liquidity Coverage Ratio - LCR) and the regulatory indicator of structural liquidity (Net Stable Funding Ratio - NSFR) are calculated.

The Group also assesses annually, in line with supervisory regulations:

- as part of the ICAAP (Internal Capital Adequacy Assessment Process) that the capital planning process, the overall risk exposure and the resulting determination of total internal capital are in line with the profile and strategy adopted and that the capital is adequate - in amount and composition - to cover the risks identified under current and prospective ordinary and stress conditions and is linked to regulatory requirements and own funds;
- as part of the ILAAP (Internal Liquidity Adequacy Assessment Process) that the liquidity risk governance and management system and the planning of the level of liquidity reserves and funding sources are adequate and consistent with the overall control and governance system.

The Group also prepares and makes available to the public the Public Disclosure by Entities pursuant to EU Regulation No. 575/2013 concerning capital adequacy, risk exposure and the general characteristics of the relevant systems for identifying, measuring and managing risks.

The Group is now classified as a class 2 intermediary for ICAAP purposes.

Part E of the Notes to the Financial Statements provides qualitative and quantitative information on risks and hedging policies.

The system of internal controls

The Internal Control System (ICS) is structured on the three control levels as set out in the
Vigilance and foresight:

- first-level or line controls, inherent in business processes;
- second-level controls on extent and development of risks and compliance with regulations;
- third level or internal audit controls, on the ex-post verification of processes and behaviour.

The company's second-level (Compliance, Risk Management, Anti-Money Laundering) and third-level (Internal Audit) control functions report directly to the Board of Directors.

In order to ensure the best effectiveness of the general system of internal controls, the Group has, for some time now, formalised the decision-making processes and responsibilities assigned to the various corporate Functions by means of specific regulations that are constantly updated; it has ensured the independence and autonomy of the corporate control Functions and implemented operational and control procedures aimed at minimising the risks associated with fraud or employee disloyalty, preventing and mitigating potential conflicts of interest, and avoiding involvement, even unknowingly, in money laundering, usury or terrorist financing.

It also has information and organisational systems in place to ensure the company's business continuity, even in the event of adverse events.

The Risk Committee

In compliance with supervisory regulations, the Parent Company's Board Directors, in order to best fulfil its tasks in the area of risk monitoring, as well as setting up and verifying the Group's internal control system, established the Risk Committee. The aforesaid Risk Committee therefore performs advisory and, where necessary, investigative functions and provides support to the Board of Directors on the subject of risks and internal controls.

Particular attention is devoted to the activities necessary and instrumental in enabling the Board of Directors to arrive at a correct and effective determination of the RAF (Risk Appetite Framework) and risk governance policies.

The Supervisory Board 231

Pursuant to Legislative Decree 231/01, a Supervisory Board was established to monitor the administrative liability of the Company. For the control purposes entrusted to it, the Supervisory Board is granted the powers to acquire any information and any company document, to have direct access to such documents and to inspect all the Group's structures, Functions, Branches and operational centres.

In performing its functions, the Supervisory Board acts in complete independence from any other structure of the Group companies. It reports exclusively to the Board of Directors on the outcome of its activities by submitting specific reports.

The Compliance Function

The Compliance Function, in possession of the prescribed operational requirements, has access to all relevant information, monitors, according to a risk-based approach, the risk of non-compliance with regulations with regard to all corporate activities. It verifies that corporate processes are suitable to prevent the violation of hetero-regulatory (laws, regulations, etc.) and self-regulatory (e.g. codes of conduct, codes of ethics, policies and regulations) rules. Particular attention is paid to the matter of conflicts of interest and to all regulations that have a major impact on customer relations, such as usury, investment services, complaints and transparency. The Function operates on the basis of an annual activity plan, submitted for approval by the Board of Directors, in which the main risks to which the Group is exposed are identified and the relevant verification actions are scheduled. The Function is structured according to a centralised organisational model with the identification of "Specialised Units" on tax matters, personal data processing and health and safety at work.

The anti-money laundering function

The risk of money laundering and terrorist financing refers to the possibility for the Group to become involved, even unknowingly, in activities aimed at reintroducing into the financial system proceeds from illegal activities or in activities aimed at committing one or more crimes with terrorist intent, which may generate reputational damage and economic losses. In order to adequately guard against money laundering risks, the Group has adopted a Policy that defines the strategic guidelines and policies for governing risks related to money laundering and terrorist financing. The principles contained in the Policy are detailed in processes and procedures aimed at ensuring compliance with anti-money laundering regulations, which are also relevant for the purposes of the 'Organisation, Management and Control Model pursuant to Legislative Decree 231/2001'.

The Group counteracts the risk of money laundering and terrorist financing through the set of first-level controls present in the IT procedures or carried out by the individual operating units, through the second-level controls entrusted to the specific Function as well as the third-level controls entrusted to the Internal Audit Function.

The Anti-Money Laundering Function, as the body in charge of anti-money laundering activities, transmits to the Financial Intelligence Unit (FIU) aggregate statistical data, "Objective Communications" relating to the use of cash, as well as Suspicious Transaction Reports (SOS), and sends to the MEF reports of breaches of the rules set out in Article 49 of Legislative Decree 231/07. The Anti-Money Laundering Department operates on the basis of an annual activity plan, submitted for approval to the Board of Directors, in which the relevant verification activities are scheduled.

The risk management function

The activities of the Risk Management Function are aimed at measuring and controlling the risks assumed by the Group. This activity is carried out through:

- the contribution to the definition of the Group's risk profile (Risk Appetite Framework) and the indicators of the Rehabilitation Plan;
- the development of models for measuring the various types of risk (credit, market, operational, reputational, liquidity, interest rate, spread and concentration risk) and the verification, in the

continuous, their degree of robustness in terms of both methodological rigour and risk interpretation capacity;

- the verification of compliance with the risk limits set out in the RAF and the Restructuring Plan, as well as additional limits set by the Board of Directors.

In particular, the Risk Management Function:

- to control credit risk, it monitors the development of a wide range of phenomena and indicators so as to enable complete control of the risk in question;
- to control market risk, it develops the model for calculating VaR and sensitivity measures to fluctuations in interest rates and spreads;
- to control liquidity risk, develops the regulatory Liquidity Coverage Ratio and Net Stable Funding Ratio indicators, with the aim of providing a comprehensive view of the Group's liquidity risk profile;
- for operational risk monitoring, collects information on operational losses.

The Risk Management Function produces for the Board of Directors and the Executive Board an extensive report in which it describes the development of all monitored risk classes. For more details on the activities, please refer to Part E of the Notes to the Financial Statements.

The Internal Audit Function

The Internal Audit activity (so-called 'third level controls') is aimed, on the one hand, at controlling, in a third level control perspective, also by means of on-site audits, the regular performance of operations and the evolution of risks and, on the other hand, at periodically assessing the completeness, adequacy, functionality and reliability, in terms of efficiency and effectiveness, of the organisational structure and the other components of the internal control system, including those on the information system (ICT audit), with a frequency established in relation to the nature and intensity of the risks.

In this perspective, the Audit Plan approved by the Parent Company's Board of Directors was implemented and wide-ranging verification actions were conducted on the various company processes and the branch network. The subject of interest was the risk monitoring systems, with more targeted in-depth examinations reserved for the credit sectors, outsourced activities and, in general, the methods of applying the main regulatory provisions. Also of no small importance were the audit activities, which focused on the reliability and functionality of corporate information systems, including the fight against 'cyber crime', internal and outsourced ICT processes and business continuity, as well as checks on the correct operation of the territorial networks.

The support and direct participation of the Internal Audit Function in the work of the Risk Committee, the Board of Statutory Auditors and the Supervisory Board, of which the Head of the Function is a full member, was constant.

Transactions with related parties and intra-group transactions

Pursuant to prudential regulations on risk activities and conflicts of interest with related parties, it should be noted that no transactions with related parties, of greater significance pursuant to reference regulations and the criteria adopted in the policies adopted, on which the Independent Directors and/or the Board of Statutory Auditors have rendered a negative opinion or formulated remarks, were carried out. Transactions of an ordinary or recurring nature out during the year with related parties fall within scope of the ordinary operations of Group companies and are defined at market conditions and in any case on the basis of assessments of mutual economic convenience, in compliance with the internal procedures mentioned above. Detailed information on transactions with related parties, including information on the impact of transactions or positions in place with these counterparties on the financial position and results of operations, accompanied by tables summarising these effects, are contained in Part H of the Notes to the Financial .

Significant events occurring after the end of financial year

Bank of Italy - Inspections

As of 24 February 2025, the regular periodic verification phase by the
Vigilance.

Quid and Cabel Industry join the Fibonacci Group

In 2025, the Fibonacci Group, backed by funds managed by Apax Partners LLP, completed the acquisition of Quid Group, a major player in the consumer credit software market, and its subsidiary Cabel Industry. Ques this strategic transaction represents a significant step in the creation of a European leader in the financial software industry. The integration of Quid and its cloud-native solutions, coupled with Cabel's expertise in Banking-as-a-Service and core banking, has strengthened the Fibonacci Group's position, doubling its size and bringing total revenues to over €210 million. Ques this acquisition underlines the Fibonacci Group's commitment to innovation and sustainable growth, consolidating its leadership in the industry. This transaction will have positive effects for the Bank, and for the range of users of Cabel's services, both in terms of cost and level of service. In particular, the transaction represents for our Bank a positive evolution of the long phase that has seen us committed to accompanying Cabel Industry on plans of concrete prospects, supported by an appropriate business structure suitable for the evolution to meet progressive needs.

Agreement with European Investment Bank

A EUR 30 million financing package approved by the European Investment Bank (EIB) has been set up to support the investments and working capital needs of micro, small and medium-sized enterprises in Tuscany. The Bank and Cambiano Leasing will be able to provide financing, with EIB funds and possibly with guarantees from credit consortia, in order to support and improve the competitiveness of micro, small and medium-sized enterprises, which represent the backbone of Tuscany's production system, through the support of their productive investments aimed at expansion, diversification, system consolidation, and ecological, technological and digital transition processes. This agreement is part of the collaboration that has been ongoing for years between the Bank and European institutions, including the European Investment Fund, with which various support and guarantee measures are in place.

Srep 2025

On 20 February 2025, the Supervisory Board set out the 'new' capital decision effective from the Regulatory Reporting to 31 March 2025. The Bank's multi-year planning has already been defined in the 2025-2029 Business Plan.

The new requirements for the prudential consolidation that includes Ente Cambiano indicated by the Bank of Italy are:

- primary tier 1 capital ratio (CET 1 ratio): 10.05%, composed of an OCR CET1 ratio of 8.30% and a Target Component (Pillar 2 Guidance, P2G), against a higher risk exposure under stress conditions, of 1.75%;
- Tier 1 capital ratio: 11.95%, comprising an OCR T1 ratio of 10.20% and a Target Component of 1.75%, against a higher risk exposure under stress conditions;
- Total Capital ratio: 14.55%, consisting of an OCR TC ratio of 12.80% and a Target Component of 1.75%, reflecting a higher risk exposure under stress conditions.

Business Outlook

After a long phase marked by very low interest rates, there has been a regime change in monetary policy since 2022, which has made the cost of money more expensive for companies.

The results of the bank lending survey conducted by the ECB show how, in banks' assessments, credit standards for corporate loans had tightened considerably between 2022 and the first half of 2023. As conditions on the credit supply side worsened, a contraction of loan demand was also observed. A similar situation can also be observed when focusing on the specific results for Italy. On the other hand, the picture has started to normalise in recent quarters, on the back of the first cuts by the ECB and expectations of rate reductions in the coming quarters.

2025 is therefore a complicated year for companies, and in many sectors this could lead to a downward revision of investment programmes, which would most likely involve programmes perceived as less urgent. Several geopolitical factors also make the picture problematic. Over the past few years, international political scenarios have become more difficult to anticipate and changes have been disruptive. The geopolitical picture has been altered by major changes that have led to a gradual loss of consensus, especially after the great financial crisis of 2008, due to the great costs the social issues it has entailed. The different ways in which consensus has been aggregated and public opinion mobilised, with the spread of social networks, have also contributed to this.

The instability of the political framework can have direct consequences on economic trends, one thinks of the invasion of Ukraine by Russia, especially for its effects on the energy scenario of European countries. Or it can radically alter economic policies; in this sense, the most striking example is probably Brexit.

In a world that is becoming more uncertain, companies are urged to pay increasing attention to problems that may arise from the political environment. Among the issues that have attracted attention in recent months is that of tariff barriers. Multinational companies in particular may find themselves in a position to adopt policies to relocate production units as a result of changes in relative conveniences. Of course, until the policies to be followed by the new US administration are clear, it is possible that already planned investments may suffer setbacks.

Another area marked by great uncertainty is that of energy policies. The last three years have seen an acceleration of investment in renewable energies, but in several countries hesitations are beginning to emerge, mainly related to the difficulties in bearing the costs of the transition. The uncertainties mentioned here should also be considered in the light of the fact that in previous years many of the investments by private companies had been guided by public policy guidelines, within a framework marked by the allocation of significant public resources.

However, as of this year, European budgetary policies have changed their approach again, with the return of the Stability Pact, albeit according to a new version that entails less ambitious public finance targets than those adopted in previous years.

The main risks for the banking system continue to depend on weak growth prospects and rising geopolitical tensions. Although asset quality has so far shown only slight signs of deterioration, the deceleration economic activity and the level of interest rates may lead to a worsening of borrowers' ability to meet their commitments. Profitability increased, helped by the good performance of net interest income, but will be affected in the next two years by higher funding costs and a higher rate of loan deterioration.

Narrowing the field of analysis to the area where the Group has historically settled, in the next two years GDP growth in Tuscany is expected to be 0.8% in 2025 (0.7% in Italy) and 1.0% in 2026. The acceleration expected in 2026 is attributable to a recovery in household consumption, which would benefit from the recovery of purchasing power of income, albeit still below the levels before the inflationary flare-up. The boost from the NRP, already this year, is also positive, while the contribution of international demand is not without downside risks. On the latter hovers the threat of a protectionist policy on the part of the United States, which would affect many products and sectors of the Tuscan economy in a non-negligible way: for example, in the chemical, plastic, pharmaceutical, and clothing sectors.

For the Cambiano Banking Group, which carries out a traditional banking intermediation business model, it will be a challenging period, but the endowments in place, the objectives and actions included in the new Industrial Plan and, above all, the managerial resources put in place will enable the Bank and the Group as a whole to make the results achieved more and more structural, while maintaining support for its territory to accompany it along the path of economic, social and environmental growth.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

	Asset Items	31/12/2024	31/12/2023
10	Cash and cash equivalents	131.313.014	341.283.596
20	Financial assets measured at fair value with impact on income statement economic	230.236.979	185.255.880
	(a) financial assets held for trading	*S2.055.2C8*	*84.55S.S0S*
	(b) financial assets designated at fair value	-	-
	(c) other financial assets mandatorily measured at fair value	*138.181.711*	*100.CS5.S71*
30	Financial assets measured at fair value with impact on profitability total	173.187.935	474.967.032
40	Financial assets measured at amortised cost	3.630.797.629	3.545.822.402
	(a) due from banks	*151.011.737*	*83.277.3C3*
	(b) loans to customers	*3.47S.785.8S2*	*3.4C2.545.040*
50	Hedging derivatives	-	-
60	Value adjustment of hedged financial assets generic (+/-)	-	-
70	Participations	16.375.436	15.933.060
80	Insurance Activities	-	-
	(a) insurance contracts issued that constitute assets	-	-
	(b) reinsurance cessions constituting assets	-	-
90	Material activities	92.579.432	89.231.207
100	Intangible Assets	5.090.188	4.927.858
	of which goodwill	-	-
110	Fiscal activities	15.713.937	21.030.997
	(a) currents	*C0S.107*	*S4S.213*
	(b) in advance	*12.104.830*	*17.081.784*
120	Non-current assets and groups of assets held for sale	0	0
130	Other Activities	143.129.281	179.327.304
	Total Assets	**4.438.423.832**	**4.857.77G.337**

Liabilities and Shareholders' Equity	31/12/2024	31/12/2023
Financial liabilities measured at amortised cost	4.036.386.164	4.452.888.286
(a) due to banks	*111.101.774*	*C41.071.C24*
(b) Due to customers	*3.80S.502.14S*	*C3S.3S5.78S*
(c) securities in issue	*115.782.241*	*172.420.874*
Financial liabilities held for trading	420.426	442.452
Financial liabilities designated at fair value	-	-
Hedging derivatives	-	-
Value adjustment of hedged financial liabilities generic (+/-)	-	-
Tax liabilities	1.103.641	1.219.747
(a) currents	*708.703*	*82C.200*
(b) deferred	*3S4.S38*	*3S3.547*
Liabilities associated with discontinued operations	-	-
Other liabilities	100.906.710	118.192.017
Staff severance pay	3.342.256	3.254.609
Provisions for risks and charges:	5.057.668	7.424.086
(a) commitments and guarantees given	*2.3S4.4C4*	*2.103.30C*
(b) pensions and similar obligations	-	-
c) other provisions for risks and charges	*2.CC3.204*	*5.320.780*
Insurance liabilities	-	-
(a) insurance contracts issued that constitute liabilities	-	-
(b) reinsurance cessions constituting liabilities	-	-
Valuation Reserves	-1.064.212	-7.782.837
Redeemable shares	-	-
Capital instruments	40.000.000	40.000.000
Reserves	-17.545.081	-35.813.904
Issue surcharges	803.240	803.240
Capital	252.800.000	252.800.000
Own shares (-)	-	-
Minority interests	1.255.338	1.185.449
Profit or loss for the year	14.957.684	23.166.191
Total liabilities and shareholders' equity	**4.438.423.832**	**4.857.77G.337**

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Entries	31/12/2024	31/12/2023
10	Interest and similar income	180.234.302	167.317.730
	of which: interest income calculated using interest method effective	*170.428.C43*	*1C2.533.788*
20	Interest expenses and similar charges	-95.726.203	-76.247.435
30	**Interest margin**	**84.508.0GG**	**G1.070.2G5**
40	Commission income	36.142.269	36.502.022
50	Commissions payable	-5.958.417	-6.095.206
60	**Net commissions**	**30.183.852**	**30.406.816**
70	Dividends and similar income	544.187	588.502
80	Net trading income	9.499.451	10.226.097
90	Net result from hedging activities	-	-
100	Gains (losses) on disposal or repurchase of:	1.690.507	-3.150.048
	(a) financial assets measured at amortised cost	*704.88C*	*-3.S72.43C*
	(b) financial assets measured at fair value with impact on overall profitability	*SC5.228*	*CC5.7C1*
	(c) financial liabilities	*20.3S3*	*15C.C27*
110	Net result of other financial assets and liabilities valued at fair value with impact on income statement	-4.278.092	-1.410.282
	(a) financial assets and liabilities designated at fair value	-	-
	(b) other financial assets mandatorily measured at fair value	*-4.278.0S2*	*-1.410.282*
120	**Intermediation margin**	**122.148.004**	**127.731.380**
130	Net adjustments/write-backs for credit risk of:	-26.110.824	-19.583.084
	(a) financial assets measured at amortised cost	*-2C.337.C35*	*-1S.808.203*
	(b) financial assets measured at fair value with impact on overall profitability	*22C.811*	*225.118*
140	Gains/losses from contractual changes without cancellations	-394.520	137.168
150	**Net result from financial operations**	**G5.642.660**	**108.285.463**
160	Result of insurance services	-	-
	(a) insurance proceeds from insurance contracts issued	-	-
	(b) costs for insurance services arising from insurance contracts issued	-	-
	(c) insurance proceeds from reinsurance cessions	-	-
	d) costs for insurance services arising from assignments in reinsurance	-	-
170	Balance of income and expenses of a financial nature related to operations insurance	-	-
	(a) net costs/revenues of a financial nature related to contracts insurance issued	-	-
	(b) net financial income/costs related to disposals in reinsurance	-	-
180	**Net income from financial and insurance operations**	**G5.642.660**	**108.285.463**
190	Administrative expenses:	-79.514.804	-79.816.788
	(a) personnel expenses	*-3C.070.5S8*	*-34.53S.3C8*
	(b) other administrative expenses	*-43.444.20C*	*-45.277.420*
200	Net provisions for liabilities and charges	1.509.974	1.029.243
	(a) commitments and guarantees given	*-2S1.157*	*-113.245*
	b) other net provisions	*1.801.131*	*1.142.488*
210	Net Value Adjustments/Write-backs on Tangible Assets	-5.208.958	-5.278.262
220	Net value adjustments/write-backs on intangible assets	-2.547.655	-2.245.016
230	Other operating income/expenses	8.005.174	8.624.280

	Entries	31/12/2024	31/12/2023
240	**Operating Costs**	**-77.756.271**	**-77.686.543**
250	Gains (Losses) on participations	442.376	-324.464
260	Net result of fair value measurement of property, plant and equipment and intangibles	-	90.977
270	Goodwill Value Adjustments	-	-
280	Gains (Losses) on disposal of investments	-233.934	88.585
2G0	**Profit (Loss) from current operations before tax**	**18.0G4.831**	**30.454.01G**
300	Income tax for year on current operations	-3.067.259	-7.142.767
310	**Profit (Loss) from current operations after tax**	**15.027.572**	**23.311.252**
320	Profit (loss) of groups of assets held for sale net of taxes	-	-69.927
300	**Profit (loss) the year**	**15.027.572**	**23.241.325**
340	**Profit (loss) the year attributable to minority interests**	**6G.888**	**75.134**
350	**Profit (loss) the year attributable to the parent company**	**14.G57.684**	**23.166.1G1**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Entries	31/12/2024	31/12/2023
10	**Profit (loss) the year**	**15.027.572**	**23.241.325**
	Other income components net of taxes without reversal to account economic		
20	Equity securities designated at fair value with impact on profitability total	31.373	-91.918
30	Financial liabilities designated at fair value with impact income statement economic (changes in one's creditworthiness)	-	-
40	Hedges of equity securities designated at fair value with impact on overall profitability	-	-
50	Material activities	-	-
60	Intangible Assets	-	-
70	Defined benefit plans	-14.623	-68.887
80	Non-current assets and groups of assets held for sale	-	-
90	Quota of valuation reserves of equity investments valued at net worth	-	-
	Other income components net of taxes with reversal to account economic		
100	Coverage of foreign investments	-	-
110	Exchange rate differences	-	-
120	Cash flow hedging	-	-
130	Hedging instruments (non-designated items)	-	-
140	Financial assets (other than equity securities) measured at fair value with impact on overall profitability	5.603.344	12.674.957
150	Non-current assets and groups of assets held for sale	-	-
160	Quota of valuation reserves of equity investments valued at net worth	-	218.699
170	**Total other income components after tax**	**5.620.0G4**	**12.732.851**
180	**Overall profitability (item 10+170)**	**20.647.666**	**35.G74.176**
1G0	**Consolidated comprehensive income attributable to minority interests**	**6G.888**	**75.134**
200	**Consolidated comprehensive income attributable to the parent company**	**20.577.777**	**35.8GG.042**

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY AS OF 31/12/2024	Existence at 31/12/2023	Change opening balances	Existence as at 01/01/2024	Allocation of previous year's result		Changes in the financial year									Net assets as at 31/12/2024	Group shareholders' equity as at 31/12/2024	Minority shareholders' equity as at 31/12/2024
							Equity Transactions										
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of own shares	Extraord. dividend distribution	Changes in equity instruments	Derivatives on own shares	Stock options	Changes in equity interests	Overall profitability year 31/12/2024			
Capital:																	
- ordinary shares	253.300.000	0	253.300.000	0			0	0					0		253.300.000	252.800.000	500.000
- other actions		0	0	0			0	0								0	0
Issue surcharges	803.240	0	803.240	0		0	0						0		803.240	803.240	0
Reserves:																	
- of profits	-35.203.588	-1.098.531	-36.302.119	23.241.325	-1.654.504	53.167	0	0	0	-2.197.500			0	0	-16.859.632	-17.545.081	685.449
- other		0	0	0		0	0		0		0	0				0	0
Valuation Reserves	-7.782.837	1.098.531	-6.684.306	0		0							0	5.620.094	-1.064.212	-1.064.212	0
Capital instruments	40.000.000	0	40.000.000							0					40.000.000	40.000.000	0
Own shares		0	0				0	0								0	0
Profit (loss) for the year	23.241.325	0	23.241.325	-23.241.325	0									15.027.572	15.027.572	14.957.684	69.888
Total Net Assets	274.358.140	0	274.358.140	0	-1.654.504	53.167	0	0	0	-2.197.500	0	0	0	20.647.666	291.206.968	289.951.630	1.255.338
Group equity	273.172.691	0	273.172.691	0	-1.654.504	-15.315	0	0	0	-2.197.500	0	0	0	20.577.777	289.883.148	289.951.630	
Minority shareholders' equity	1.185.449	0	1.185.449		0	68.482	0	0	0	0	0	0	0	69.888	1.323.820		1.255.338

Notes:
The column "Change in opening balances" includes the adjustment made to the balances as at 31 December 2023 resulting from the reallocation of the effect of the correction of the error made by the investees from the item "Valuation reserves" to the item "Reserves".

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY AS OF 31/12/2023	Existence at 31/12/2022	Change opening balances	Existence as at 01/01/2023	Allocation of previous year's result		Changes in the financial year									Net assets as at 31/12/2023	Group shareholders' equity as at 31/12/2023	Minority shareholders' equity as at 31/12/2023
							Equity Transactions										
				Reserves	Dividends and other allocations	Changes in reserves	Issuing new shares	Purchase of own shares	Extraord. dividend distribution	Changes in equity instruments	Derivatives on own shares	Stock options	Changes in equity interests	Overall profitability year 31/12/2023			
Capital:																	
- ordinary shares	233.382.557		233.382.557				20.000.000						-82.557		253.300.000	252.800.000	500.000
- other actions	0		0												0	0	0
Issue surcharges	803.240		803.240												803.240	803.240	0
Reserves:																	
- of profits	-51.690.958		-51.690.958	19.173.963	-1.200.084	10.991				-1.497.500					-35.203.588	-35.813.904	610.316
- other	0		0													0	0
Valuation Reserves	-20.515.688		-20.515.688											12.732.851	-7.782.837	-7.782.837	0
Capital instruments	30.000.000		30.000.000							10.000.000					40.000.000	40.000.000	0
Own shares	0		0													0	0
Profit (loss) for the year	19.173.963		19.173.963	-19.173.963										23.241.325	23.241.325	23.166.191	75.134
Total Net Assets	211.153.115	0	211.153.115	0	-1.200.084	10.991	20.000.000	0	0	8.502.500	0	0	-82.557	35.974.176	274.358.140	273.172.691	1.185.449
Group equity	209.965.028	0	209.965.028	0	-1.200.084	0	20.000.000	0	0	10.000.000	0	0	6.205	35.899.042	274.670.191	273.172.691	
Minority shareholders' equity	1.188.087	0	1.188.087	0	0	10.991	0	0	0	0	0	0	-88.762	75.134	1.185.449		1.185.449

CONSOLIDATED CASH FLOW STATEMENT

INDIRECT METHOD	Amounts	Amounts
	31/12/2024	**31/12/2023**
A. OPERATIONAL ACTIVITY		
1 Management	**52.G68.850**	**55.064.467**
- Profit/(loss) the year (+/-)	15.027.572	23.241.325
- Gains/losses on financial assets held for trading and on other financial assets/liabilities measured at fair value with impact on income statement economic (+/-)	2.516.555	-1.326.817
- Gains/losses on hedging activities (+/-)	0	0
- Net value adjustments/write-backs for credit risk (+/-)	26.110.824	19.583.084
- Net value adjustments/reversals on tangible and intangible fixed assets (+/-)	7.756.613	7.523.278
- Net allocations to provisions for risks and charges and other costs/revenues (+/-)	-1.509.974	-1.029.243
- Net premiums not collected (-)	0	0
- Other uncollected insurance income/charges (-/+)	0	0
- Unpaid taxes, duties and credits (+)	3.067.259	7.142.767
- Net impairment losses/reversals on disposal groups held for sale net the tax effect (+/-)	0	-69.927
- Other adjustments (+/-)	0	0
2 Liquidity generated/absorbed by financial assets	**184.117.750**	**345.21G.875**
- Financial assets held for trading	-5.767.729	-14.440.345
- Financial assets designated at fair value	0	0
- Other assets mandatorily measured at fair value	-41.729.925	42.583.684
- Financial assets measured at fair value with impact on comprehensive income	301.836.460	137.521.933
- Financial assets measured at amortised cost	-111.143.414	238.532.570
- Other Activities	40.922.358	-58.977.967
3 Liquidity generated/absorbed by financial liabilities	**-434.285.858**	**-131.687.51G**
- Financial liabilities measured at amortised cost	-416.502.122	-195.570.754
- Financial liabilities held for trading	-22.026	344.781
- Financial liabilities designated fair value	0	0
- Other liabilities	-17.761.709	63.538.454
Net cash generated by/used in operating activities	**-1G7.1GG.258**	**268.5G6.824**
B. INVESTMENT ACTIVITIES		
1 Liquidity generated by	**4.331.476**	**5.441.130**
- Sales of participations	0	1.557.745
- Dividends received on participations	0	0
- Sales of tangible assets	4.331.476	3.880.851
- Sales of intangible assets	0	2.534
- Sales of subsidiaries and business units	0	0
2 Liquidity absorbed by	**-15.448.2G6**	**-11.473.576**
- Purchases of participations	0	-265.863
- Purchases of tangible assets	-12.738.310	-8.168.971
- Purchases of Intangible Assets	-2.709.985	-2.938.743
- Acquisitions of subsidiaries and business divisions	0	-100.000
Net cash generated/absorbed by investing	**-11.116.820**	**-6.032.446**
C. FUNDING ACTIVITIES		
- Issues/purchases of own shares	0	20.000.000
- Issues/purchases of equity instruments	0	10.000.000
- Dividend distribution and other purposes	-1.654.504	-1.200.084
- Sale/purchase of third-party control	0	0
Net liquidity generated/absorbed by funding activities	**-1.654.504**	**28.7GG.G16**
LIQUIDITA' NET GENERATED/ABSORBED DURING THE YEAR	**-20G.G70.582**	**2G1.364.2G3**

RECONCILIATION

BALANCE SHEET ITEMS	Amounts 31/12/2024	Amounts 31/12/2023
Cash and cash equivalents at the beginning of the year	**341.283.5G6**	**4G.G1G.303**
Total net liquidity generated/absorbed during the year	-209.970.582	291.364.293
Cash and cash equivalents: effect exchange rate changes	0	0
Cash and cash equivalents at year-end Legend: (+) generated (-) absorbed	**131.313.014**	**341.283.5G6**

CONSOLIDATED EXPLANATORY NOTES

PART A - Accounting Policies

A.1 - General Part

Section 1 - Declaration of Compliance with International Accounting Standards

The financial statements of the Cambiano Banking Group (the Group) have been prepared in accordance with the IAS/IFRS issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretation Committee (IFRIC) endorsed by the European Commission and in force as at 31 December 2024, transposed into Italian law by Legislative Decree no. 38/2005, which exercised the option provided for by EC Regulation no. 1606/2002 on international accounting standards. The financial statements as at 31 December 2024 have been prepared on the basis of the instructions issued by the Bank of Italy in Circular no. 262/05 "Bank financial statements: formats and compilation rules" updated to the 8th update of 17/11/2022. Ọ These instructions establish in a binding manner the financial statement formats and related compilation methods, as well as the content of the Notes to the Financial Statements. The Financial Statements consist of the Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Cash Flow Statement and the Notes to the Financial Statements, and are accompanied by the Report on Operations. The balance sheet and profit and loss account are drawn up in euro units, the other schedules and tables in the notes to the financial statements in thousands of euro. The accounting standards adopted for the preparation of the 2024 Financial Statements, with reference to the classification, recognition, measurement and derecognition of the various asset and liability items, as well as the methods for recognising revenues and costs, have remained unchanged from the 2023 Financial Statements with the exception of the changes made following the entry into force, as of 1 January 2024, of the new standards detailed below.

Document title	Date of publication	Entry into vigour
On 23 January 2020, the IASB published an amendment entitled '**Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current**' and on 31 October 2022 it published an amendment entitled '**Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants'**. The documents are intended to clarify how to classify payables and other liabilities as current or . In addition, the amendments also improve the information that an entity must provide when its right defer settlement of a liability for at least 12 months is subject to compliance with certain parameters (i.e. covenants).	23/01/2020 31/10/2022	01/01/2024
"Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback'. The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction in so as not to recognise an income or loss that relates to the retained right use).	22/09/2022	01/01/2024
'Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements'. The document requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of financial statements to evaluate how supplier finance arrangements may affect the entity's liabilities and cash flows and to understand the effect of such arrangements on the entity's exposure to liquidity risk.	25/05/2023	01/01/2024
On 30 January 2014, the IASB published **IFRS 14 - Regulatory Deferral Accounts**, which only allows first-time adopters of IFRS to continue to recognise amounts related to rate-regulated activities under the previous standards accounting principles adopted. As the Bank is not a first-time adopter, this standard is not applicable.	30/01/2024	

respect to aforementioned Regulations, following the amendments that came into force on 1 January 2024, the Group has not identified any significant impact on the Financial Reporting as at 31 December 2024.

The following table shows the new international accounting standards, or amendments to standards already in force, whose mandatory application starts on or after 1 January 2025, which have not been adopted early.

Document title	Date of publication	Entry into vigour
On 15 August 2023, the IASB published an amendment entitled **'Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability'.** The document requires an entity to apply a consistent methodology for determining whether one currency can be translated into another and, when this is not possible, how to determine the exchange rate to be used and the disclosures to be made in the notes to the financial statements. The amendment will apply from 1 January 2025, but earlier application is permitted. The Directors do not expect a material effect in the Bank's financial statements from the adoption of this amendment.	15/08/2023	01/01/2025

The Group did not make use of the option of early application of the Regulations in force as of 1 January 2025 because it did not these changes are deemed to have a significant impact on the balance sheet and income statement.

Finally, at the date of approval of these financial statements, the endorsement process by the competent bodies of the European Union required for the adoption of the following amendments had not yet been completed:

Document title	Date of publication	Entry into vigour
On 30 May 2024, the IASB published the document 'Amendments to the Classification and Measurement of Financial Instruments-Amendments to IFRS 9 and IFRS 7". The document clarifies a number of problematic issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary upon the achievement of ESG objectives (i.e. green bonds). In particular, the amendments aim to: • Clarify the classification of financial assets with variable returns and linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the SPPI test; • determine that the settlement date for liabilities using electronic payment systems is the date on which the liability is settled. However, an entity permitted adopt an accounting policy to permit a financial liability be derecognised before delivering cash on the settlement date under certain specified conditions. With these amendments, the IASB also introduced additional disclosure requirements with regard to investments in equity instruments designated as FVOCI. The amendments will apply from the financial statements for financial years beginning on or after 1 January 2026. The directors do not expect a material effect on the Bank's financial statements from the adoption of this amendment.	30/05/2024	01/01/2026
On 18 July 2024, the IASB published a document called **'Annual Improvements Volume 11'.** The document includes clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards. The amended standards are: • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and related guidance on the implementation of IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and • IAS 7 Statement of Cash Flows. The amendments will apply from 1 January 2026, but earlier application is permitted. The directors do not expect a material effect in the Bank's financial statements from the adoption of this amendment.	18/07/2024	01/01/2026
On 18 December 2024, the IASB published an amendment entitled ***'Contracts Referencing Nature-dependent Electricity - Amendment to IFRS 3 and IFRS 7'***. The document aims to support entities in reporting the financial effects of contracts for the purchase electricity generated renewable sources (often structured as *Power Purchase Agreements*). Under such contracts, the amount of electricity generated and purchased can vary based on uncontrollable factors such as weather conditions. The IASB has made targeted amendments to IFRS 9 and IFRS 7. The amendments include: • a clarification regarding the application of the 'own use' requirements to this type of contract; • the criteria for allowing such contracts to be accounted for as hedging instruments; e, • of new disclosure requirements to enable users of financial statements to understand the effect of these contracts on an entity's financial performance and cash flows. The amendment will apply from 1 January 2026, but earlier application is permitted. The directors do not expect a material effect in the Bank's financial statements from the adoption of this amendment.	18/12/2024	01/01/2026
On 9 April 2024, the IASB published a new standard ***IFRS 18 Presentation and Disclosure in Financial Statements*** that will replace IAS 1 *Presentation of Financial Statements*. The new standard aims to improve the presentation of financial statements, with particular reference to the income statement. In particular, the new standard requires: • classify revenues and expenses into three new categories (operating section, investment section and financial section), in addition to the tax and discontinued operations categories already present in the income statement; • Present two new sub-totals, operating profit and earnings before interest and taxes (i.e. EBIT). The new principle also: • requires more information on the performance indicators defined by management; • introduces new criteria for the aggregation and disaggregation of information; e, • introduces a number of changes to the format of the cash flow statement, including the requirement to use the operating result as the starting point for the presentation of the cash flow statement prepared under the indirect method and the elimination of certain classification options for some items that currently exist (such as interest paid, interest received, dividends paid and dividends received). The new principle will enter into force on 1 January 2027, but earlier application is permitted. The directors do not expect a material effect in the Bank's financial statements from the adoption of this amendment.	09/04/2024	01/01/2027
On 9 May 2024, the IASB published a new standard ***IFRS 13 Subsidiaries without Public Accountability: Disclosures.*** The new standard introduces some simplifications with reference to	09/05/2024	01/01/2027

Document title	Date of publication	Entry into vigour
to the disclosures required by IFRS Accounting Standards in the financial statements of a subsidiary that meets the following requirements: • has not issued equity or debt instruments listed on a regulated market and is not in the process of issuing them; • its parent company prepares consolidated financial statements in accordance with IFRS. The new standard will become effective on 1 January 2027, but earlier application is permitted. The directors do not expect a material effect in the Bank's financial statements from the adoption of this amendment.		
On 30 January 2014, the IASB published ***IFRS 14* - *Regulatory Deferral Accounts***, which allows only first-time adopters of IFRSs to continue to recognise amounts related to *rate-regulated* activities under the previous adopted accounting standards. As the Company is not a *first-time adopter*, this standard is not applicable. The directors do not expect a material effect on the Bank's financial statements from the adoption of this amendment.	30/01/2024	

The possible effects of introducing the above amendments being evaluated.

Section 2 - General Principles of Preparation

In preparing the financial statements, the following general preparation principles dictated by IAS 1 were observed:

- Going concern - The financial statements have been prepared on a going concern ;
- Accrual accounting - Costs and revenues are recognised on an accrual basis and according to the matching principle;
- Consistency of presentation of financial statements - The presentation and classification of items are maintained from one financial year to the next for the purpose of ensuring comparability of information unless a change is required by an International Accounting Standard, or an interpretation thereof, or if another presentation or classification is deemed more appropriate in terms of relevance and reliability in presenting information;
- Prohibition of Offsetting - Assets, liabilities, income and expenses are not offset against each other unless required by an International Accounting Standard or an interpretation thereof or expressly provided for in the financial statements for banks;
- *Materiality and aggregation:* the balance sheet and income statement consist of items (marked by Arabic numerals), sub-items (marked by letters) and additional disclosure details (the "of which" in items and sub-items). The items, sub-items and related information details constitute balance sheet accounts. The formats conform to those defined by the Bank of Italy in Circular No. 262 of 22 December 2005 and subsequent updates. New items may be added to these schedules if their content cannot be attributed to any of the items already provided for in the schedules and only if they are material. The sub-items provided for in the schedules may be grouped together when one of the two following conditions is met:
  a) the amount of the subheadings is insignificant;
  b) grouping promotes the clarity of the financial statements; in this case, the notes to the financial statements contain distinctly the
  subheadings subject to grouping.
  The balance sheet, profit and loss account and statement of comprehensive income do not show accounts with no amounts either for the year to which the financial statements refer or for the previous year;
- *substance over form*: transactions and other events are recognised and represented in accordance with their substance and economic reality and not merely according to their legal form;
- comparative information*:* for each balance sheet and income statement accountcomparative information for the previous year is provided, unless an accounting standard or interpretation permits or provides otherwise. Commentary and descriptive information is also included when this promotes a better understanding of the financial statements. Previous year's figures may be appropriately adjusted, where necessary, to ensure comparability of information for the current year. non-comparability, adjustment or impossibility of the latter shall be disclosed and commented on in the notes to the financial statements;
- Periodicity of disclosures: disclosures must be made at least annually; if an entity changes the end of its reporting period, it must disclose the reason for the change and the fact that the data are not comparable.

The Notes are divided into parts. Each part of the notes is divided into sections, each of which illustrates a single aspect of operations.

Declaration of business continuity

The joint coordination table between the Bank of Italy, Consob and Isvap on the application of IAS/IFRS, with the document No. 2 of 06.02.2009 'Information to be provided in financial reports on the going assumption, financial risks, impairment testing of assets and uncertainties in the use of estimates', as well as with the subsequent document No. 4 of 4 March 2010required the Directors to make particularly accurate assessments of the existence of the going concern assumption. In this regard, paragraphs 25-26 of IAS 1 state that: "In the preparation phase

of the financial statements, management shall make an assessment of the entity's ability to continue as a going concern. Financial statements shall be prepared on a going concern basis unless management either intends to liquidate entity or to cease operations, or has no realistic alternative but to do so'.
In this regard, the Parent Company's Board of Directors carried out an assessment of the Group's and the Bank's ability maintain operations as a going concern.
By letter Prot. No. 0383383/25 of 20.02.2025, the Supervisory Authority announced the conclusion of the periodic supervisory review and evaluation process (SREP) conducted on the Cambiano Banking Group initiated by letter No. 2505325 of 23.12.2024 pursuant to Article 67-ter, paragraph 1, letter d), of Legislative Decree No. 385 of 1 September 1993 (TUB). The supervisory review process introduced additional capital requirements that must be met as of March 2025. However, the current capital situation shows that the Group and the Bank have capital levels that are already adequate to meet the capital parameters defined in the aforementioned Communication.
Based on the best information available at the date of preparation of these financial statements, the Directors have a reasonable expectation that the Bank will continue to operate in foreseeable future and, accordingly, have prepared the financial statements on a going concern basis.

Areas and methods of consolidation

The consolidated financial statements of the Cambiano Banking Group include the financial statements of Banca Cambiano 1884 S.p.A. and its subsidiaries. Subsidiaries are those companies in which the Parent Company, directly or indirectly, holds more than half of the voting rights or when, even with a lower percentage of voting rights, the Parent Company has the power to appoint the majority of the subsidiary's directors or to determine its financial and operating policies. In assessing voting rights, account is also taken of 'potential' rights that are currently exercisable or convertible into actual voting rights at any time. Affiliated companies, i.e. companies subject to significant influence, are companies in which the parent company, directly or indirectly, holds at least 20% of the rights (including "potential" voting rights as defined above) or in which - albeit with a lower proportion of voting rights - it has the power to participate in determining the financial and operating policies of the investee company virtue of special legal ties such as participation in shareholders' agreements. Subsidiaries are consolidated on a line-by-line basis, while non-controlling interests are consolidated using the equity method.

With specific reference to the investee company CH S.p.A., it should be noted that on 24 July 2024, the term of duration of the usufruct right on 20% of investee company's shares, previously established in favour of a Pro Bono Trust, expired; in the absence of its renewal, the Trust ceased as of 25 July 2024, with the consequent reinstatement of the voting rights exercisable in the amount of 49.60% entirely in the hands of the Bank.
In consideration of the significance of the shareholding held by the Bank, and the relative share of voting rights exercisable in the shareholders' meeting of C.H. S.p.A. following the change in the voting rights that can be exercised due to the events mentioned above, it became necessary to assess whether the subsidiary's classification as an associated company should be maintained, taking into account the provisions of IFRS 10 for the analysis of the presence of the requirements of control, examining i) the subsidiary's shareholding structure, ii) the composition of the management body, iii) the composition of the shareholders' meeting majorities and iv) the resolutions passed by the subsidiary with reference to relevant matters. Based on the results of this assessment, the Directors considered , with reference to the consolidated financial statements as of 31 December 2024, the elements necessary to configure a controlling relationship in the subsidiary CH S.p.A. do not exist, which is therefore maintained among the investments in associates with significant influence.
The Financial Statements function, in collaboration with the Risk Management function and the Supervisory Reporting Office, carried out an analysis with the aim of highlighting the effects of a possible consolidation on the result for the period, on the amount of shareholders' equity and on the Group's prudential ratios, if the analysis conducted by the Directors had led to a positive conclusion regarding the existence of a control relationship with the subsidiary, CH S.p.A.
This analysis showed that if the company had been consolidated as at 31 December 2024, this would have had a negligible effect on RWA and capital ratios (an increase in RWA of EUR 17.9 million and a decrease in capital requirements of approximately 0.13%), while the effect on consolidated profit would have been negligible.

Consolidation Criteria

The Consolidated Financial Statements of Banca Cambiano 1884 S.p.A. include the balance sheet and profit and loss account results of the Parent Company and the directly and indirectly controlled entities.
The new concept of control (IFRS 10 § 6) is based on the simultaneous presence of three elements:

- the power to direct the relevant activities, i.e. the activities carried out by the entity being invested in that are capable of influencing its returns;
- exposure to the variability of returns the activity of the entity being invested in;
- the exercise of power to influence returns.

Companies in which the parent company, directly or indirectly, owns more than half of the voting rights are considered subsidiaries. The concept of control, however, is deemed to be present when one simultaneously has power over the entity being invested in. The correlation between power and returns must be present, which is manifested when valid rights are held that give the Parent Company the current ability to direct the relevant activities or significantly affect its returns.
Enterprises in which the voting rights and control the economic activity of the investee are shared equally by the parent company, directly and indirectly, and another external entity are considered jointly controlled. A

In addition, an equity investment qualifies as jointly controlled when, even in the absence of an equal share of voting rights, control over the economic activity and strategic policies of the investee is shared with other parties by virtue of contractual agreements. As at 31 December 2024, there were no jointly controlled companies in the Banca Cambiano Group.
Associates, i.e. subject to significant influence, are companies in which the Parent Company, directly or indirectly, holds at least one-fifth of the voting rights (including "potential" voting rights) and in which it has the power to participate in determining financial and management policies. Also considered affiliated are companies for which - albeit with a smaller share of voting rights - the Parent Company has the power to participate in the determination of financial and management policies by virtue of particular legal ties, such as, for example, participation in shareholders' agreements.

Consolidation methods

As a rule, subsidiaries are consolidated on a line-by-line basis, subject to joint control and non-controlling interests over which the Group significant influence are consolidated using the equity method.
The reference criteria for line-by-line consolidation are as follows: assets, liabilities and the Profit and Loss Account are fully consolidated 'line by line';

- debit and credit items, off-balance sheet transactions, as well as income and expenses and profits and losses, arising from transactions between consolidated companies, are eliminated from each other;
- The portions of shareholders' equity and profit the year attributable to minority shareholders of consolidated companies are included in special items on the liabilities side of the balance sheet and income statement;
- On first consolidation, the carrying value of participations in companies consolidated on a line-by-line or proportional basis is cancelled against the net assets of the companies themselves (i.e. the portions of net assets that the participations represent).
- any changes in the ownership interest in a subsidiary are accounted for as equity transactions. Qualsi any difference between the adjusted value of the equity interest and the fair value of the consideration paid (or received) must be recognised directly as a change in equity and appropriately allocated to non-controlling interests;
- On an annual basis (or whenever there is evidence of impairment), the adequacy of the goodwill value is tested (so-called impairment test), as required under IAS 36. In order to meet regulatory requirements, it is necessary to identify the cash-generating unit to which goodwill should be allocated. The amount of any impairment is the negative difference between the carrying amount of goodwill and its recoverable amount, determined as the higher of the fair value of the unit, net of any costs to sell, and its value in use. The resulting value adjustments are recognised in profit or loss.

The equity method requires that:

- the book value of significant investments, held by the Parent Company, or by other Group companies, in companies consolidated using the equity method, is compared with the relevant portion of the investees' equity. Any excess of the book value - resulting from the first application of the consolidated financial statements - is included in the book value of the investee company. Changes in the book value, occurring in years subsequent to the year of first-time application, are recognised in item 240 of the Consolidated Income Statement ("Gains and Losses of Equity Investments") to the extent that the changes relate to profits or losses of the investee companies, and directly to equity the remainder. For the consolidation of equity investments in associated companies, the draft financial statements as at 31 December 2024 approved by the respective Boards of Directors were used, where available; in their absence, the data relating to the latest financial statements referring to 30 September 2024 were considered;
- If there is evidence that the value of a significant investment may have decreased, recoverable amount of the investment is estimated, taking into account the present value of the future cash flows that the investment may generate, including the final disposal value of the investment. If the recoverable amount is lower than the carrying amount, the difference is recognised in the income statement.
  The current regulations stipulate that two consolidation perimeters must be managed:
- the scope of consolidation governed by IFRS 10 "Consolidated Financial Statements", IAS 27 "Separate Financial Statements", IAS 28 "Investments" in Associates and Joint Ventures" and, if applicable, IFRS 11 "Joint Arrangements", (all issued by EC Regulation 1254/2012 and effective from 1 January 2014 and subsequent updates) and IFRS 3 "Business Combinations" (issued by EC Regulation 495/2009 and subsequent updates).
- Prudential consolidation perimeter as regulated by Regulation (EU) No. 575/2013 where Art. 19, guidance is given on entities excluded from the scope of prudential consolidation.

The aforementioned regulations contribute, as mentioned above, to the determination of the consolidation perimeters, as well as the methods by which this consolidation should take place.
International accounting standards provide that subsidiaries are consolidated on a line-by-line basis, while jointly controlled and non-controlling interests over which Group exercises significant influence are consolidated using the equity method. The supervisory regulations (CRR), with Art. 19 mentioned above, exclude from the full consolidation method financial institutions and instrumental companies that, even if they are part of the Banking Group, have total assets and off-balance sheet items that are less than the lower of the following two amounts:

- € 10 million;
- 1% of the total amount of the assets and off-balance sheet items of the parent undertaking or the undertaking holding the participation.

As at 31 December 2024, all Group companies are consolidated on a line-by-line basis.

Changes in the scope of consolidation
The scope of consolidation of the Banking Group remained unchanged compared to 31 December 2023.

Investments in Subsidiaries and Companies under Significant Influence (Consolidated at)

Company Name	Headquarters	Type report	Company participant	Quota percentage	Voting Rights percentage
Immobiliare 1884 S.p.A.	Florence	Checked	**Banca Cambiano 1884 S.p.A.**	100,00%	100,00%
Cambiano Leasing S.p.A.	Empoli	Checked	**Banca Cambiano 1884 S.p.A.**	95,00%	95,00%
C. H. S.p.A.	Empoli	Significant influence	**Banca Cambiano 1884 S.p.A.**	49,60%	49,60%
Cabel Industry S.p.A.	Empoli	Significant influence	**Banca Cambiano 1884 S.p.A.**	8,04%	8,04%

Other information
The financial statements prepared and approved by the individual companies as at 31 December 2024 were used to consolidate the companies on a line-by-line basis. The Group companies, which are subject to the application of national accounting standards, had to prepare accounting schedules and data in accordance with the international accounting standards followed in the preparation of the consolidated financial statements.
For the consolidation of associated companies, carried out using the equity method, reference was made to the balance sheet data as at 30/09/2024 of the associated company.

Section 3 - Events subsequent to the balance sheet date
Subsequent to the preparation of the financial statements for the year ended 31 December 2024, no events of particular significance have occurred that would require a change to the approved figures, an adjustment to the results achieved or the provision of additional information. For more details on events occurring after 31 December 2024, see the appropriate section in the Directors' Report on Operations.

Section 4 - Other Aspects
The Bank's financial statements are audited by Deloitte C Touche S.p.A. in accordance with the provisions of Legislative Decree 39/2010.

Use of estimates and assumptions in the preparation of consolidated financial statements.
The preparation of the financial statements also requires the use of estimates and assumptions that can have a significant effect on the amounts reported in the balance sheet and income statement, as well as on the disclosure of contingent assets and liabilities in the financial statements.
The preparation of these estimates implies the use of available information and the adoption of subjective assessments, also based on historical experience, used to formulate reasonable assumptions for the recognition of operating events. By their very nature, the estimates and assumptions used may vary from period to period; therefore, it cannot be excluded that in subsequent periods the actual values recognised in the financial statements may differ, even significantly, as a result of changes in the subjective assessments used.
The main cases for which the Bank's use of subjective assessments is most required are:
- the quantification of impairment losses on loans and other financial assets in general;
- the determination of the fair value of financial instruments to be used financial statement reporting purposes;
- the use of valuation models for recording the fair value of financial instruments not listed in 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.

The description of the accounting policies applied to the main aggregates of the financial statements provides the information necessary to identify the main assumptions and subjective assessments used in the preparation of the financial statements.
part of its policies for the management of to customers, the Group has adopted processes and methods for monitoring the performance of relationships in accordance with provisions of sector regulations and internal provisions governing the rules for classification and transfer in the various risk categories. In the classification process, also for the purposes of the consequent valuation of non-impaired loans, the Group into consideration the particular context of macroeconomic uncertainty deriving from the continuation of geo-political tensions.
For the classification of credit exposures by homogeneous risk classes, the Group refers to sector regulations and internal provisions governing the rules for classification and transfer within the various risk categories. In determining the recoverable amount of impaired loans to customers measured at amortised cost, the Group, as part of its classification and valuation policies, has resorted to valuation processes and methods characterised by subjectivity and the estimation of certain variables, such as, principally, expected cash flows, expected recovery times and the presumed realisable value of guarantees, if , whose modification may lead to a change in the final recoverable amount.
For further detailed information concerning the composition and relative carrying values of the items affected by the estimates in question, reference should instead be made to the specific sections of the notes to the financial statements.

reference to the quantification of impairment losses on loans, Appendix B5.5.49 of IFRS 9 requires that models used for the valuation of portfolio loans be supplemented with judgement-based adjustments when the models themselves do not fully capture the expected impacts. The risks that are not captured by the models are the so-called Novel risks (or emerging risks), i.e., those risks that occur for the first time or that, although they existed in the past, take on characteristics, magnitudes or impacts that are significantly different from those observed historically. As of 31 December 2023 and throughout the financial year 2024, given the uncertainty of the economic environment characterised by inflationary pressure and rising interest rates, the Risk Management Function had identified a perimeter of positions most impacted by the economic situation, with the related determination of the criteria for calculating management overlays on *(i)* individuals, joint ventures and sole proprietorships classified in Stage 1 who took out variable-rate instalment loans before 2023 and who experienced average payment delays of at least five days during year *(ii)* individuals, joint ventures and sole proprietorships classified as Stage 2 that have entered into variable rate instalment loans prior to 2023 and that have experienced average payment delays of at least one day during the year; *(iii)* loans secured on commercial real estate which, as a result of rising interest rates, are less attractive in the real estate market and are expected to lose value in 2024.
In light of the expected scenario of lower interest rates for year 2025, with reference to the financial statements as at 31.12.2024, add-ons relating to positions with payment delays due to the increase in interest rates quantified at a total of€ 2,120,103 as at 31.12.2023 were releasedOn the other hand, with regard to the add-on component relative to exposures to companies guaranteed by commercial real estate, given the persistence in the European real estate market of signs of particular riskiness of the type of collateral in question, we proceeded prudentially to maintain these add-ons also for the next financial year, quantified in a total of€ 527,394.
Moreover, in light of the growing relevance in terms of economic impact of climate and environmental risks, specific management overlays introduced to protect against such risks, as a first approach for the inclusion of the so-called ESG effects in the calculation of the Expected Credit Loss. The inclusion of these add-ons took place on the positions classified as Stage 1 and Stage 2, taking into account the physical and transition risks and applied through a worsening, respectively, the Loss Given Default (LGD) components and the probability of default of the most affected counterparties. These management overlays were quantified at a total of €2,117,773.
In addition to the impact on the write-downs of the application of the add-on criteria described above, it is necessary to consider the integration of the effects due to the updating of the macroeconomic scenarios based on the most recent projections published by the Bank Italy (so-called Forward Looking components) with reference to December 2024. These updates entailed an increase in write-downs of € 968 thousand on Stages 1 and 2 and of € 567 thousand on Stage 3. Similarly to what was carried out by the Parent Company, for the subsidiary Cambiano Leasing, specific add-ons were inserted on the write-downs of the positions classified in Stage 1 and Stage 2 most impacted by physical and transition risk, based respectively on an increase in Loss Given Default (LGD - loss rate in the event default) and the probability of default of the counterparties most impacted by these risks within the loan portfolio. addition, again in continuity with the Parent Company, the management overlays relative to real estate leasing contracts inherent to commercial real estate were maintained, applying a specific worsening Loss Given Default (LGD - rate of loss in the event of default). This implementation resulted in a total add-on for Cambiano Leasing of €351 thousand at 31 December 2024.

Option for Consolidated Financial Statements
Starting from the 2017 financial yearEnte Cambiano exercised the option for 'national tax consolidation' regime, governed by Articles 117-129 of the Consolidated Income Tax Act and introduced by Legislative Decree No. 344/2003 and subsequent amendments. It consists of an optional regime, binding for three years and automatically renewed, under which the subordinate member companies transfer, for tax purposes only, their economic results to the parent company, in whose hands a single taxable income or tax loss is determined.
The effects of tax consolidation are manifested in the item 'Other assets - receivables from Group companies for tax consolidation' as a balancing entry to the item 'Current tax liabilities' for IRES provisions made by consolidated companies gross of withholding taxes and advances paid.
The item "Other liabilities - payables to Group companies for tax consolidation" represents the accounting counterpart of the item "Current tax assets" for IRES advances paid and withholding taxes incurred by the companies included in the tax consolidation that transferred these amounts to the consolidating company.

A.2 - Part relating to the main balance sheet items

1. Financial assets at fair value through profit or loss (FVTPL)

Classification Criteria
This item includes all financial assets other than those classified in the portfolio of financial assets measured at fair value with impact on comprehensive income and in the portfolio of financial assets measured at amortised cost. Specifically, the following are recognised under this item

- financial assets held for trading, consisting of debt securities, equity securities, loans, OICR units and the positive value of derivative contracts, purchased and held with intention of reselling them on the market in the short term in order to realise trading profits. Also included in this category are equity instruments, which do not qualify as control, joint control or connection, for which no designation at fair value with impact on comprehensive income was made upon initial recognition;

- assets designated at fair value, such as debt securities or loans, as defined at initial recognition if they meet the requirements of IFRS 9;
- other financial assets mandatorily measured at fair value, represented by debt securities, loans and OICR units, which do not meet the requirements for classification at amortised cost or fair value with impact on comprehensive income. Basically, these are financial assets whose contractual terms do not allow them to pass the so-called 'SPPI test' or which are not held as part of a 'Held to Collect' or 'Held to Collect and Sell' business model.

The general rules on reclassification of financial assets outlined in IFRS 9 do not provide for reclassifications to other categories of financial assets unless the entity changes its business model for managing financial assets. In such cases, which are in any case infrequent, financial assets may be reclassified from this category into one of the other two categories envisaged by the standard (financial assets measured at amortised cost or financial assets measured at fair value with an impact on comprehensive income) and the transfer value will be the fair value at the time of reclassification. The effects of reclassification will operate prospectively from the date of reclassification. In this case, the effective interest rate of the reclassified financial asset is determined based on its fair value at the date of reclassification and this date is considered as the initial recognition date allocation to the different credit risk stages for impairment purposes.

For more information on the criteria for classifying financial instruments, please refer to the section below entitled 'Criteria for Classifying Financial Assets'.

Entry Criteria

The initial recognition of financial assets takes place on the settlement date for debt and equity securities, the disbursement date for loans, and the subscription date for derivative contracts. Financial assets measured at fair value through profit or loss are initially recognised in the balance sheet at their fair value, which generally corresponds to the consideration paid. Any directly attributable transaction costs/income that are incurred in advance and do not represent expense recoveries (such as brokerage commissions, placement fees, stamp duties, etc.) are instead recognised in profit or loss.

Evaluation 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 recognised in the income statement. Market prices are used to determine the fair value of financial instruments listed in 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. For equity securities and derivative instruments involving equity securities that are not listed in 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.

Cancellation Criteria

Financial assets are derecognised when the contractual rights to the cash flows from the assets expire or when the financial asset is sold, transferring substantially all risks/benefits associated with it.

Criteria for recognising income components

Gains and losses arising from changes in the fair value of financial assets held for trading are recognised as an overall 'disgorgement' in item 80 'Net trading income' in the income statement, including those related to derivative instruments, while gains and losses arising from changes in the fair value of financial assets designated at fair value and financial assets that are mandatorily measured at fair value are recognised as an overall 'disgorgement' in item 110, including the results of fair value measurements of these assets.

2. Financial assets measured at fair value with impact on comprehensive income (FVOCI)

Classification Criteria

This category includes debt securities and loans that meet two requirements: they are held according to a "Held to Collect and Sell" business model and their contractual characteristics provide for cash flows represented solely by payments of principal and interest, allowing them to pass the "SPPI test". In order for a financial asset to be classified in this category or in the category of financial assets at amortised cost (see next point), in addition to the satisfaction of the business model for which it was acquired, it is necessary that the contractual terms of the asset provide for cash flows at certain dates represented solely by payments principal and interest on the amount of principal to be repaid ("Solely Payment of Principal and Interest" - SPPI). The SPPI test must be performed at the time the asset is recognised in the balance sheet, whereas, subsequent to initial recognition and as long as the asset is recognised in the balance sheet, asset is no longer subject remeasurement for the SPPI test. This item also includes those equity instruments not held for trading purposes for , upon initial recognition, the option to designate them at fair value with an impact on comprehensive income was exercised.

For more information on the classification criteria for financial instruments, please refer to the following chapter "The Classification Criteria.

classification of financial assets'.

Entry Criteria

Financial assets measured at fair value with an impact on comprehensive income are recognised in the balance sheet at their fair value, which normally corresponds to the consideration paid. Any directly attributable transaction costs/income that are incurred in advance and do not represent expense recoveries are capitalised on the initial value.

Evaluation Criteria

After initial recognition, assets classified at fair value with an impact on comprehensive income continue to be measured at fair value. For equity securities included in this category, which are not quoted in 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.

Cancellation Criteria

Financial assets are derecognised when the contractual rights to the cash flows from the assets expire or when the financial asset is sold transferring substantially all risks and rewards of ownership of the financial asset.

Criteria for recognising income components

For debt securities, gains/losses are recognised in equity reserves until the financial asset is derecognised, except for the effects impairment and any exchange rate effect, which are recognised in profit or loss. Upon derecognition, the cumulative gain or loss is recognised in the income statement under item 100 "Gains/losses on disposal or repurchase". Impairment losses are recognised in income statement item 130 "Adjustments
/net value adjustments for credit risk'. Increases in value due to the passage of time are recognised in the income statement as interest income. Equity instruments for which the option to classify them in this category has been exercised are measured at fair value (or residually at cost if the fair value cannot be determined) and the amounts recognised with a balancing entry in equity will not be transferred to the income statement, even if they are sold. As required by IFRS 9, the only component related to these instruments that is recognised in profit or loss is the related dividends.

3. Financial assets measured at amortised cost

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 through the collection of contractually agreed cash flows (business model 'HTC');
- the contractual terms of the financial asset provide, at certain dates, for cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (the "SPPI test" passed).

More specifically, they are recognised under this heading:

- loans with banks that meet the requirements set out in the previous paragraph;
- loans to customers that meet the requirements set out in the previous paragraph;
- debt securities that meet the requirements set out in the previous paragraph.

Under the general rules IFRS 9 on 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, the financial assets may be reclassified from the category measured at amortised cost to one of the other two categories under IFRS 9 "Financial assets measured at fair value through profit or loss" 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 the related fair value are recognised in the income statement in the case of reclassification to 'Financial assets at fair value through profit or loss' and in , in the valuation reserve, in the case of reclassification to 'Financial assets at fair value through profit or loss'. For more information on the criteria for classifying financial instruments, please refer to the section below entitled 'Criteria for classifying financial assets'.

Entry Criteria

The initial recognition of financial assets takes place 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.

Evaluation Criteria

Subsequent to initial recognition, the financial assets in question are measured at amortised cost, using the effective interest rate method. In these terms, the asset is recognised at an amount equal to its initial recognition value less principal repayments, plus or minus the cumulative amortisation (calculated using the effective interest rate method) of the difference between this initial amount and the amount at maturity (typically attributable to costs/income allocated directly to the individual asset) and adjusted for any provision to cover losses. The effective interest rate is identified by calculating the rate that equals the present value of the future cash flows of the asset, for principal and interest, to the amount disbursed including costs/income allocated to the financial asset itself. This method of accounting, using a financial logic, allows 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 measured at historical cost whose short duration makes the effect of applying the discounting logic negligible, and 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 credit risk stages provided for by IFRS 9, the last of which (stage 3) includes impaired financial assets and the remaining (stage 1 and 2) performing financial assets. With reference to the accounting representation of the aforementioned valuation effects, the value adjustments referring to this type of asset are recognised in the Income Statement:

- at 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 initial recognition, in relation to changes in the amount of expected loss adjustments over the following twelve months;
- at the time of the subsequent valuation of the asset, where the credit risk has been significantly increased compared to initial recognition, in connection with the recognition of value adjustments for expected losses over the entire residual contractual life the asset;
- at the time of the subsequent valuation of the asset, if there has been a significant increase in credit risk with respect to initial recognition, the 'materiality' of this increase has then ceased to exist, in relation to the adjustment of cumulative value adjustments to take into account the change from an expected loss over the entire residual life of the instrument ('life-time') to one at twelve months. The financial assets in question, if performing, are subjected to an assessment, aimed at defining the value adjustments to be recognised in the financial statements, at the level of the individual credit relationship or security according to the parameters represented by probability of default (PD), loss given default (LGD) and exposure at default (EAD) specifically provided for by IFRS 9. If, in addition to a significant increase in credit risk, there is also objective evidence of an impairment loss, 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/defaulting for more than 90 days according to Bank of Italy rules, consistent with IAS/IFRS and European Supervisory regulations. The expected cash flows take into account the expected recovery times and the presumed realisable value of any guarantees. QIf the reasons for the impairment loss are removed as a result of an event occurring after the impairment was recognised, a reversal of the impairment loss is recognised in the income statement. The reversal may not 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 income. In some cases, during the life of the financial assets under review and, in particular, loans, the original contractual terms are subject to subsequent modification at the will of the parties to the contract. Qu When, during the life of an instrument, the contractual terms are subject to modification, it is necessary to determine whether the original asset should continue to be recognised in the balance sheet 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 lead to its derecognition and the recognition of a new asset when they are 'material'. The (qualitative-quantitative) analyses aimed at defining the 'substantiality' of contractual modifications made to a financial asset will therefore need to consider the purposes for which the modifications were made, e.g. renegotiations for commercial reasons and concessions due to financial difficulties of the counterparty. The former, aimed at 'retaining' the customer, involve a debtor who is not in a situation of financial difficulty. Included in this category are 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, that relates to aspects connected 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 carries out a renegotiation in order to avoid losing its customer, such renegotiation must be considered as substantial since, 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 second, 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 normally not substantially transferred and, consequently, the accounting presentation 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 book value and the present value of the modified cash flows discounted at the original interest rate, and not through derecognition.

Cancellation Criteria

Financial assets are derecognised only if the sale has resulted in the transfer substantially all the risks and rewards associated with assets. Conversely, if a material portion of the risks and rewards associated with the transferred financial assets have been retained, they continue to be recognised in the balance sheet, even if legal title to the assets has been effectively transferred. In the event that it is not possible to ascertain the substantial transfer of risks and rewards, the financial assets are derecognised if no control has been retained over them. Otherwise, the retention, even in part, of such control results in the assets being retained in the balance sheet to the extent of the residual involvement, measured by the exposure to changes in the value of transferred assets and changes in their cash flows.

Recognition of Income Components

For instruments measured at amortised cost (loans to banks and loans to customers), interest is calculated using the effective interest rate, i.e. the rate that exactly discounts the cash flows over the expected life of the instrument (IRR rate).

The IRR, and thus the amortised cost, are determined by taking into account any acquisition discounts or premiums, costs or commissions that are an integral part of the amortised cost.

Interest on impaired loans is calculated on the net exposure of the Expected Credit Losses.

Value adjustments or write-backs, resulting from the Expected Credit Losses model adopted, are recorded in the Income Statement under 'Net Value Adjustments/Recoveries for Credit Risk'.

Amounts arising from the adjustment of the carrying values of financial assets to reflect changes in contractual cash flows that do not result in derecognition are recognised in the Profit and Loss Account under "Gains/Losses from contractual changes without derecognition".

4. Hedging transactions

Banca Cambiano 1884 s.p.a. 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 for each type of hedge.

Classification Criteria

Risk hedging transactions are designed to neutralise potential losses, attributable to a particular risk and detectable on a particular item or group of items, should that particular risk actually arise. The types of hedges used are as follows:

- The objective of fair value hedges is to hedge the exposure to changes in the fair value of recognised assets and liabilities or portions thereof, groups of assets/liabilities, firm commitments and portfolios of financial assets and liabilities, as permitted by IAS 39 endorsed by the European Commission. Generic fair value hedges ('macro hedges') have the objective of reducing fluctuations in fair value, attributable to interest rate risk, of a monetary amount, arising from a portfolio of financial assets or liabilities;
- cash flow hedges are intended to hedge exposure to changes in future cash flows attributable to particular risks associated with balance sheet items;
- hedging a foreign currency investment refers to hedging the risks of an investment in a foreign currency enterprise.

Entry Criteria

Hedging derivatives, like all derivatives, are initially recognised and subsequently measured at fair value.

Evaluation Criteria

Hedging derivatives are measured at fair value. In the case of fair value hedges, the change in fair value of the hedged item is offset against the change in fair value of the hedging instrument. This offsetting is recognised through the recognition in the income statement of changes in value, referring to both the hedged item and the hedging instrument. Any difference, representing the partial ineffectiveness of the hedge, consequently constitutes the net economic effect. In the case generic fair value hedges ("macro hedges"), changes in fair value with reference to the hedged risk of the hedged assets and liabilities are recognised in the balance sheet under item 60. "Value adjustment of financial liabilities subject to generic hedging", in the case of cash flow hedges, changes in the fair value of the derivative are recognised in equity, for the effective portion of the hedge, and are only recognised in the income statement when, with reference to the hedged item, a change in the cash flows to be offset occurs or if the hedge proves ineffective, hedges of a foreign currency investment are accounted for in the same way as cash flow hedges. The derivative instrument is designated as a hedge if there is formalised documentation of the relationship between the hedged instrument and the hedging instrument and if it is effective when the hedge begins and, prospectively, throughout its life. The effectiveness of the hedge depends on the extent to which changes in the fair value of the hedged instrument or its expected cash flows are offset by those of the hedging instrument. Effectiveness is therefore assessed by comparing these changes, taking into account the intent of company at the time the hedge was put in place. Effectiveness occurs when the changes in the fair value (or cash flows) of the hedging financial instrument almost entirely neutralise the changes in the hedged instrument, i.e. within the range of 80-125%, for hedged risk element. The effectiveness is assessed at each balance sheet date. In the event of the discontinuation of a generic fair value hedging relationship, the cumulative revaluations/writedowns recognised in item 60. Value adjustment of financial assets subject to generic hedging" or item 50. "Value adjustment of financial liabilities subject to generic hedging" are recognised in the income statement under interest income or interest expense over the remaining term of the original hedging relationship, subject to verification that the conditions are met.

5. Participations

Classification Criteria

Shares for which a situation of control, joint control, or significant influence exists are allocated to the investment portfolio. Control is presumed to exist when more than 50% of the voting rights exercisable at shareholders' meetings are held directly or indirectly. Significant influence is exercised when the investor directly or indirectly holds 20% or more of the voting rights. Significant influence may also be determined in the presence of an interest of less than 20% when the following circumstances arise: a) representation on the board of directors; b) participation in the decision-making process with regard to the determination of dividends; c) the occurrence of significant transactions between the investor and the investee. Joint control occurs when the voting rights and control of the investee is shared with other parties.

Entry Criteria

This item includes equity investments held in subsidiaries, joint ventures or companies subject to significant influence; these investments upon initial recognition are recognised at acquisition cost, plus directly attributable costs.

Evaluation Criteria

Equity investments are valued on an ongoing basis using the '' method. Equity investments in subsidiaries,
jointly controlled or subject to significant influence are accounted for at cost, and the book value is

increased or decreased to recognise the investor's share of the investee's profits or losses realised after the acquisition date. Dividends received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may be necessary as a result of changes in the investor's ownership interest in the investee arising from changes in the investee's net assets.

Cancellation Criteria

Financial assets are derecognised when the contractual rights to the cash flows derived from the assets expire or when financial asset is disposed of by transferring all the risks and rewards associated with it.

Criteria for recognising income components

Dividends paid by the investee generated after the date of acquisition are allocated to item 220 of the income statement "Gains/losses on participations". The results of the equity valuation are recorded under item 220 of the income statement "Gains/losses on equity investments" when they have been transferred to the income statement of the investee company; when they have not been transferred to the income statement of the investee company, they are allocated to item 110 of liabilities "Valuation reserves". Gains/losses from the sale of participations are recorded under item 220 of the income statement "Gains/losses from participations".

6. Tangible Assets

Recognition Criteria

Property, plant and equipment, whether or not capitalised, are initially recorded at a value equal to cost including all costs directly related to the commissioning of the asset and non-recoverable purchase taxes and duties. This value is subsequently increased by the expenses incurred from which future benefits are expected. The costs of routine maintenance performed on the asset are recognised in the income statement as they occur.

Evaluation Criteria

After initial recognition, tangible assets are carried at cost less accumulated depreciation and any accumulated impairment losses. Tangible assets are systematically depreciated in each financial year on the basis of their useful life, adopting the straight-line method as the depreciation criterion. They are not subject to depreciation:

- land, whether acquired individually or incorporated in the value of the buildings, as they are considered to have an indefinite useful life. In the event that their value is incorporated in the value of the building, they are considered assets that can be separated from the building; the division between the value of the land and the value of the building is made on the basis of an independent expert's appraisal for buildings held 'free-standing' only;
- works of art, the useful life of which cannot be estimated and whose value generally increases over time.

The depreciation process begins when the asset is available use.

Tangible assets acquired under finance leases

IFRS 16 is based on the concept transferring the right to use the leased asset: the contract therefore is, or contains, a lease if, in return for consideration, it confers the right to control the use of a specified asset for a period of time. This concept entails a broadening of the scope of the standard that has been adopted for accounting for leases, rentals, leases and similar contracts. The standard provides for the lessee to overcome the accounting dualism between finance leases and operating leases by defining a single accounting model that requires recognition :

- a Right of Use (RoU) in the balance sheet assets;
- a Lease Liability (LL);
- to the Profit and Loss Account, amortisation of the Right Use and financial charges calculated on the Lease Liability.

At initial recognition, the Lease liability is equal to the present value of the lease payments due, discounted using the lease's implicit interest rate, if this can be readily determined, or alternatively the Bank's marginal lending rate. At initial recognition, the Right of Use is equal to the initial measurement of the lease liability, increased by the lease payments due on or before the effective date less lease incentives received, the initial direct costs incurred by the lessee and the estimated costs to be incurred by the lessee in dismantling and removing the asset or restoring it to its contractual condition. The Right of Use and the Lease Liability shall be recognised as Property, Plant and Equipment and Liabilities at amortised cost.

Cancellation Criteria

A tangible asset is derecognised on disposal or when it is permanently withdrawn use and no future economic benefits are expected from its disposal.

Criteria for recognising income components

Systematic depreciation is accounted for in the income statement under 'Net impairment losses/reversals of impairment losses on property, plant and equipment'. In the first year, depreciation is recognised in proportion to the period of actual availability for use of the asset. Capital gains and losses arising from the disposal or retirement of tangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset; they are recognised in the income statement on the same date they are derecognised. The profit and loss account item "Gains (Losses) on disposal of investments" recognises the balance, positive or negative, between gains and losses disposal of tangible investments.

7. Intangible Assets

Classification Criteria

This item comprises those non-monetary assets without physical substance that are held for use over a multi-year or indefinite period and that meet the following characteristics:

- identifiability;

- the company has control;
- it is probable that the expected future economic benefits attributable to the business will flow to the company;
- the cost of the activity can be reliably assessed.

In the absence of one of the above characteristics, the 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 assets that originate from legal or contractual rights. Expenses on leased assets (branches) have recognised under item 120 of assets "Other assets", and the related amortisation has been proportionate to the duration of the lease contracts. In the context of a business combination, IFRS 3 states that at the date of acquisition of control, the acquirer must classify or designate the intangible assets acquired. Quanto the definition of intangible items, the standard identifies intangible items acquired in a business combination as identifiable non-monetary assets without physical substance. Goodwill is the positive difference between the acquisition cost and the fair value of the assets and liabilities acquired in a business combination.

Entry Criteria

Intangible assets are recognised at cost, adjusted for any incidental expenses incurred in preparing the asset for use. In a business combination, the acquirer must classify or designate the intangible assets acquired and recognise them at their fair value. Goodwill, recognised as an asset the acquisition date, is initially measured at cost. On an annual basis, or in any case whenever there is evidence of impairment, impairment test of goodwill is performed in accordance with IAS No. 36. The amount of any impairment is determined on the basis of the difference between the carrying amount of goodwill and its recoverable amount, if lower. This recoverable amount is equal to higher of the fair value of the cash-generating unit, net of any costs to sell, and its value in use. The resulting impairment losses are recognised in the income statement under 'Goodwill impairment losses'. An impairment loss recognised for goodwill cannot be reversed in a subsequent period.

Evaluation Criteria

After initial recognitionintangible assets with a 'finite' life are recognised cost less accumulated amortisation and accumulated impairment losses. The amortisation process begins when the asset is available for use, i.e. when is in the location and condition necessary for it to be capable of operating in the manner intended, and ceases when the asset is derecognised. Depreciation is provided on a straight-line basis to reflect the long-term use of the assets based on their estimated useful life. At each balance sheet date, if there is evidence of impairment, the recoverable amount of the asset is estimated. The amount of the loss, recognised in the income statement, is equal to the difference between the asset's carrying amount and its recoverable amount.

Cancellation Criteria

An intangible asset is removed from the balance sheet when it is disposed of or no longer capable of providing future economic benefits.

Criteria for recognising income components

Both amortisation and any impairment losses/reversals of impairment losses on intangible assets other than goodwill are recognised in the income statement under 'Net impairment losses/reversals of impairment losses on intangible assets'. Impairment losses on goodwill are recognised in the income statement under the item 'Impairment losses on goodwill'. Gains and losses arising from the disposal or retirement of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in the income statement. In the item "Gains (Losses) on disposal of investments", the balance, whether positive or negative, between gains and losses on disposal of investments are recognised.

8. Other Assets

Other assets essentially comprise items awaiting settlement and items that cannot be allocated to other balance sheet items, including receivables arising from the supply of non-financial goods and services, tax items other than those recognised under own items, and accrued income and prepaid expenses other than those to be capitalised on the related financial assets. The Bank has included in 'Other assets' tax credits for tax bonuses acquired as a result of transfers by direct beneficiaries or previous purchasers in connection with the 'Cure Italy' and 'Relaunch' decrees (see recognition under 'Other information').

G. Non-current assets or groups of assets/liabilities held for sale

This category includes non-current assets held for sale. These assets are measured at the lower of book value and fair value, less costs to sell; if they have been subject to amortisation, the latter ceases. Since they are discontinued operations, the balance sheet and related income statement items are shown separately in the balance sheet and income statement. At the balance sheet date, the Group held no such assets.

10. Current and Deferred Taxation

The Group calculates current, deferred and prepaid income taxes on the basis of prevailing tax rates and these are recognised in the income statement, except for those relating to items debited or credited directly to . The provision for income taxes is determined on the basis of a forecast of the current, prepaid and deferred tax charge. Deferred tax assets and deferred tax liabilities are determined according to the temporary differences, without time limits, between the value attributed to an asset or liability, based statutory criteria, and the corresponding values assumed for tax purposes. Deferred tax assets are recognised in the financial statements to the extent that there is a probability of their recovery, assessed on the basis of the ability of the company concerned or the parent company, taking into account the effect of exercising the option relative to tax consolidation, to generate positive taxable income on an ongoing basis. Liabilities for

Deferred taxes are recognised in the balance sheet because the amount of available reserves already subject to taxation makes it reasonable to assume that no initiative transactions will be carried out that would result in their taxation. Deferred tax assets and deferred tax liabilities are recognised in the balance sheet with open balances and without offsets under 'Tax assets' and 'Tax liabilities', respectively. Deferred tax and liabilities are systematically assessed to take into account any changes in regulations or rates.

11. Provisions for liabilities and charges

Provisions for risks and charges for commitments and guarantees given

The sub-item of provisions for risks and charges under review includes provisions for credit risk recognised in respect of commitments to disburse funds and guarantees issued that fall within the scope of application of the impairment rules pursuant to IFRS 9. For these cases, the same methods of allocation among the three stages of credit risk and calculation of the expected loss shown with reference to financial assets measured at amortised cost or fair value with impact on comprehensive income are adopted, principle. The aggregate also includes provisions for risks and charges set up against other types of commitments and guarantees issued which, due to their own peculiarities, do not fall within the aforementioned scope of application of impairment pursuant to IFRS 9.

Other provisions for risks and charges

Provisions relating to 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 required to settle the obligations, provided that a reliable estimate of the amount can be made. Accordingly, a provision is recognised if and only if:

- there is an ongoing obligation (legal or implied) as a result of a past event;
- it is probable that the performance of the obligation will require the use of resources capable of producing economic benefits;
- a reliable estimate of the amount resulting 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 at the balance sheet date and reflects risks and uncertainties that inevitably characterise a number of facts and circumstances. The provision is reversed when it becomes unlikely that resources will be available to produce economic benefits to settle the obligation or when the obligation is extinguished. This item also includes long-term employee benefits, the expense of which is determined using the same actuarial criteria as those described for retirement provisions. Actuarial gains and losses are all recognised immediately in the income statement.

12. Financial liabilities measured at amortised cost

Classification Criteria

Due to banks, Due to customers, Securities issued and other financial liabilities include the various forms of interbank and customer funding as well as finance lease liabilities. Specifically, the sub-item "Securities Outstanding" includes securities issued (including subordinated loans, interest-bearing bonds, and certificates of deposit), net of securities repurchased.

Entry Criteria

Initial recognition of these financial liabilities occurs when the sums collected are received or the debt securities are issued. Initial recognition is based on the fair value of the liabilities, which is usually equal to the amount collected or issue priceplus any additional costs/income directly attributable to the individual funding transaction or issue and not reimbursed by the creditor counterparty. Internal administrative costs are excluded. The fair value of any financial liabilities issued below market conditions, with regard to listed securities, estimated and the difference with to market value is recognised directly in the income statement. With respect to lease obligations, at the commencement of the lease term, the Bank values the financial liability based on the present value future lease payments due. The payments are discounted using the interest rate implicit in the lease.

Evaluation Criteria

After initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method. An exception is made for liabilities, where the time factor is negligible, which remain recognised at the amount collected and whose costs, if any, are allocated to the income statement on a straight-line basis over the contractual term of the liability.

Cancellation Criteria

Financial liabilities are derecognised when they expire or are extinguished. Derecognition also occurs when previously issued securities are repurchased. The difference between the carrying amount of the liability and the amount paid to repurchase it is recognised in the income statement. The reissue of own securities in the market after their repurchase is considered a new issue with recognition at the new placement price, with no effect on the profit and loss account.

Criteria for recognising income components

Negative income components in the form of interest expenses are recognised, on an accrual basis, in the interest items of the income statement. Any difference between the repurchase value of own securities and the corresponding book value of the liability is recognised in the Profit and Loss Account under Gains/Losses on sale or repurchase.

13. Financial liabilities held for trading

Entry Criteria

These financial instruments are recognised at the subscription or issue date at a value equal to the fair value of the instrument, without considering any transaction costs or income directly attributable to the instruments. This liability category includes trading derivative contracts with a negative fair value.

Evaluation Criteria

All trading liabilities are measured at fair value with the result of the valuation recognised in the income statement.

Cancellation Criteria

Financial liabilities held for trading are derecognised when the contractual rights to the related cash flows expire or when the financial liability is transferred with the transfer of substantially all risks and rewards of ownership.

14. Financial liabilities designated at fair value

Financial liabilities measured at fair value include liabilities to which the fair value option is applied. The Bank has not designated any financial liabilities measured at fair value.

15. Currency Transactions

Classification Criteria

Currency transactions consist of all assets and liabilities denominated in currencies other than the euro.

Entry Criteria

Transactions in foreign currencies are recorded on initial recognition in euros, applying the exchange rate in force on the date of the transaction to the foreign currency amount.

Evaluation Criteria

At the reporting date, monetary assets and liabilities in foreign currencies are converted using the spot exchange rate on that date.

Criteria for recognising income components

Exchange rate differences on foreign currency transactions are recognised in item 80 of the profit and loss account "Net trading income(') .

Other information

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.

Accruals and deferrals

Accruals, which relate to charges and income for the year accrued on assets and liabilities, are posted as adjustments to the assets and liabilities to which they relate. In the absence of relationships to which they relate, they will be shown 'Other assets' or 'Other liabilities'.

Leasehold improvements

Renovation costs of non-owned real estate are capitalised in view of the fact that for the duration of the lease contract the user company has control over the assets and can derive future economic benefits from them. These costs, classified under 'Other Assets', are depreciated over a period not exceeding the term of the contract.

Staff severance pay

The staff severance indemnity fund was recorded on the basis of its actuarial value calculated annually by an independent actuary. discounting purposes, the projected unit credit method is adopted, which considers the projection of future disbursements based on historical and statistical analyses and the demographic curve; the discount rate is a market interest rate. Contributions paid in each financial year are considered as separate units recognised and valued individually for the purpose of determining the final obligation. Following the reform of supplementary pensions pursuant to Legislative Decree No. 252 of 5 December 2005, the severance indemnities accrued up to 31 December 2006 remain with the company, while the amounts accrued thereafter must, at the employee's choice, be allocated to supplementary pension schemes or transferred to INPS. Starting from the 2012 financial year, changes in actuarial type components of severance pay are accounted for with an impact on Shareholders' Equity and are therefore shown in the Statement of Comprehensive Income.

Issuance Additional Tier 1

As indicated in the "Capital Adequacy and Regulatory Ratios" section of the Report on Operations, AT1 instruments issued by the Parent Company as at 31 December 2024 amounted to 40,000,000.00. The Bank did not issue any Additional Tier 1 instruments during the 2024 financial year. Specifically, these are subordinated instruments classified as Additional Tier 1 capital pursuant to Regulation No. 575 of 2013 (CRR).

For details on this type of transaction, see the Parent Company's Notes to the Financial Statements Part A.

Profit and Loss Account

Revenues are measured at the fair value of the consideration received or receivable and are recognised when future benefits are received and those benefits can be reliably measured. Costs are recognised as incurred. Costs that cannot be associated with revenues are recognised immediately in the income statement. In particular:

- costs and revenues, directly attributable to financial instruments measured at amortised cost and determinable from inception regardless of when they are settled, flow through the income statement by applying the effective interest rate;
- Dividends are recognised in the income statement when they are received;

- Revenues from trading financial instruments, determined by the difference between the transaction price and the fair value of the instrument, are recognised in the income statement when the transaction is recognised if the fair value can be determined by reference to recent parameters or transactions observable on the same market on which the instrument is traded;
- other commissions are recognised on an basis.

Costs directly attributable to financial instruments measured at amortised cost and determinable from inception, regardless of when they are settled, are charged to the income statement through the application of the effective interest rate, for the definition of which please refer to the section "Loans and Receivables". Impairment losses are charged to the profit and loss account in the year in which they are recognised. Default interest, which may be contractually provided for, is recognised in the income statement only when it is actually collected. Impairment losses are recognised in the profit and loss account in the year in which they are recognised.

The Classification Criteria for Financial Assets

The classification of financial assets into the three categories envisaged by the standard depends on two classification criteria: the business model under which the financial instruments are managed (or Business Model) and the contractual characteristics of the financial assets' cash flows (or SPPI Test). The combination of the above two criteria results in the classification of financial assets, as outlined below:

- Financial assets measured at amortised cost: assets that pass the SPPI test and are part of the business model HTC;
- Financial assets measured at fair value with impact on comprehensive income (FVOCI)assets exceeding SPPI tests and are part of the HTCS business model;
- Financial assets measured at fair value through profit or loss (FVTPL): this is a residual category, which includes financial instruments that cannot be classified in the previous categories based on the results of the business model test or the test on the contractual flow characteristics (SPPI test not passed). In order for a financial asset to be classified at amortised cost or FVOCI, in addition to the analysis relating to the business model, it is necessary that the contractual terms of the asset itself provide for cash flows at certain dates represented solely by payments principal and interest on the amount of principal to be repaid ("solely payment of principal and interest" - SPPI). This analysis must be performed, in particular, for loans and debt securities. The SPPI test must be performed on each individual instrument the time of its recognition. After initial recognition, and as long as the asset is recognised in the balance sheet, the asset is no longer subject to remeasurement for the purposes of the SPPI test. QWhen a financial instrument is derecognised and a new financial asset is recognised, the SPPI test must be performed on the new asset. For the purposes of applying the SPPI test, IFRS 9 provides definitions :
- Principal: is the fair value of the financial asset at initial recognition. This value may change during life of the financial instrument, e.g. as a result of repayments of part of the principal;
- Interest: is the consideration for the time value of money and for the credit risk associated with the principal outstanding in a particular period time. It may also include remuneration for other basic risks and costs associated with lending and a profit margin. In assessing whether the contractual flows of a financial asset qualify as SPPIs, IFRS 9 refers to the general concept of 'basic lending arrangement', which is independent of the legal form of the asset. Qu↩ where contractual provisions introduce exposure to risk or volatility of contractual cash flows that inconsistent with the definition of a basic lending arrangement, such as exposure to changes in equity or commodity prices, the contractual cash flows do not meet the definition SPPI. The application of the classification criterion based contractual cash flows sometimes requires subjective judgement and, therefore, the definition of internal application policies. In cases where the time value of money is modified ('modified time value of money') - for example, when the interest rate of the financial asset is periodically re-determined, but the frequency of the re-determination or the frequency of coupon payments do not reflect the nature of the interest rate (e.g., the interest rate is revised monthly on the basis of a one-year rate) or when the interest rate is periodically re-determined on the basis of an average of particular short or medium/long-term rates, the company must assess, using both quantitative and qualitative elements, whether the contractual flows still meet the definition of SPPI (the so-called benchmark cash flows test).so-called benchmark cash flows test). QIf the test shows that the contractual cash flows (undiscounted) are 'significantly different' from the cash flows (also undiscounted) of a benchmark instrument (i.e. without the modified time value element), the contractual cash flows cannot be considered to meet the definition of SPPI. For the purposes of performing the SPPI test, Banca Cambiano 1884 s.p.a. makes use of the services provided by external info-providers for its transactions in debt securities. This choice, on the one hand, allows front-office operators operating in securities to have an immediate outcome for the performance of the test, allowing for a streamlining of paperwork at the time of purchase, and on the other, allows for the use of market settings shared by multiple operators and auditing firms. On the other hand, a proprietary tool based on a methodology developed in-house for decision trees was developed for conducting the SPPI test in the context of credit granting processes.

Business model

As far as the business model concerned, IFRS 9 identifies three cases in relation to the way in which flows of funds are managed cash and sales of financial assets:

- Hold to Collect (HTC): this is a business model whose objective is realised through collection of the contractual cash flows of the financial assets included in the associated portfolios. The inclusion of a portfolio of financial assets in such a business model does not necessarily imply that the instruments cannot be sold.

although it is necessary to consider the frequency, magnitude of value, reasons for sales and expectations regarding future sales;

- Hold to Collect and Sell (HTCS): is a mixed business model, the objective of which is achieved through the collection of contractual cash flows of the financial assets in the portfolio and also through a selling activity that is an integral part of the strategy. Both activities (contractual cash flows and sales) are indispensable for the achievement of business model's objective. Therefore, sales are more frequent and significant than in an HTC business model and are an integral part of the strategies pursued;
- Others/Trading: this is a residual category that includes both financial assets held for trading purposes and financial assets managed with a business model that does not fall under the previous categories (HTC and HTCS). In general, this classification applies to a portfolio of financial assets whose management and performance are measured on a fair value basis. The business model reflects the manner in which financial assets are managed to generate cash flows for the benefit of the entity and is defined by the bank's senior management through the appropriate involvement of business structures. In essence, the business model:
    - reflects how financial assets are managed to generate cash flows;
    - is defined by the bank's top management, with the appropriate involvement of the structures of business;
    - must be observable considering the way financial assets are managed. In operational terms, the assessment and composition of the business model is carried out consistently with the corporate organisation, the specialisation of business functions, the expected cascading risk model, and the allocation of delegated powers.

In making the assessment of the business model, all relevant factors available at the date of the assessment are used. The aforementioned evidence includes strategy, risks and their management, reporting and sales figures. In analysing the business model, it is essential that the elements investigated show consistency with each other and in particular are consistent with the strategy pursued. Evidence of activities that are not in line with the strategy must be analysed and adequately justified. For the HTC portfolio, Banca di Cambiano 1884 s.p.a. has defined the thresholds of admissibility of sales that do not invalidate the classification (frequent but not significant, individually and in aggregate, or infrequent even if of a significant amount) and, at the same time, parameters have been established to identify sales that are consistent with this business model insofar as they can be attributed to an increase in credit risk. More in detail, within the framework of an HTC business model, sales are allowed:

- in the event of an increase in credit risk, which can occur for securities when there is a downgrade of predetermined notches from the original rating;
- when they are frequent but not significant in terms of value or occasional even if significant in terms of value. In order to determine these aspects, thresholds of frequency and significance have been defined. With reference to the determination of the "Risks" on the HTCS and Other/Trading business models, the provisions of the Internal Finance Regulation and the RAF on market risk controls apply in principle.

Method of determining amortised cost

The amortised cost of a financial asset or financial liability is the amount at which it was measured at initial recognition, net of principal repayments, plus or minus the cumulative amortisation, determined using the effective interest method, of differences between the initial amount and maturity amount and net of any impairment losses. The effective interest rate is the rate that equals the present value of a financial asset or financial liability to the contractual stream of future or received payments until maturity or the next reset date. For fixed-rate or instruments, future cash flows are determined based on the known interest rate over the life of the instrument. For floating-rate financial assets or liabilities, future cash flows are determined based on the latest known rate. At each repricing date, the amortisation schedule and effective rate of return are recalculated over the entire life of the financial instrument, i.e. until maturity date. Amortised cost is applied loans, held-to-maturity financial assets, available-for-sale financial assets, debt and securities in issue. Financial assets and liabilities traded at market conditions are initially recognised at their fair value, which normally corresponds to the amount paid or disbursed directly attributable transaction costs and fees. Internal marginal costs and income attributable at the time of initial recognition of the instrument and not recoverable from customers are considered transaction costs. These incidental components, which must be attributable to the individual asset or liability, affect the effective yield and make the effective interest rate different from the contractual interest rate. Therefore, costs and income that are indistinctly attributable to several transactions and related components that may be recognised during the life of the financial instrument are excluded. In addition, costs that the Bank would incur independently of the transaction, such as administrative costs, stationery, etc., are not considered in the calculation of amortised cost.

Accounting treatment of tax credits related to the "Cure Italy" and "Relaunch" Decree-Laws acquired as a result of assignment by direct beneficiaries or previous purchasers. Approach used for the accounting treatment of purchased tax credits (tax bonuses).

Decree-Laws No. 18/2020 (so-called Cure Italy') and No. 34/2020 (so-called 'Relaunch') introduced into the Italian legal system tax incentive measures connected with both investment expenses (e.g., eco and seismbonus) and current expenses (e.g., rents for premises not for residential use). Further, the Government has again intervened on the subject through Decree Law No. 50/2022 (the so-called 'Aid Decree') mainly by reshaping the number of potential recipients and through Decree Law No. 11/2023 by determining, albeit with certain exceptions to the same, the prohibition to opt, instead of the direct use of the deduction, for the discount on the invoice or the assignment of the credit. These tax incentives apply to households or businesses, are commensurate with a percentage of the expenditure incurred (which in some cases reaches as much as 110%) and are disbursed under form of tax credits or tax deductions (optionally convertible into credits). The main features of such tax credits are: (i) the possibility of use as a set-off; (ii) transferability to third party purchasers; and (iii) non-refundability by the Treasury. The accounting of tax credits purchased by a third party (the transferee of the tax credit) is not subject to a specific international accounting standard. IAS 8 requires that, in cases where there is a case not explicitly covered by an IAS/IFRS accounting standard, management should define an appropriate accounting policy to ensure relevant and reliable disclosure of such transactions. To this end, the Bank, taking into consideration the indications expressed by the Authorities in the document "Accounting treatment of tax credits related to the 'Cura Italia' and 'Relaunch' Law Decrees acquired following disposal by direct beneficiaries or previous purchasers", published on 5 January 2021 by the Coordination Table between the Bank of Italy, Consob and IVASS on the application IAS/IFRS, has adopted an accounting policy that refers to the accounting rules set forth IFRS 9, applying by analogy its provisions compatible with the characteristics of the transaction. The Bank classifies these loans as Other Assets:

- to a Hold to Collect business model, receivables are purchased within the limits of their tax capacity, with the objective of holding them and using them for future offsets. These receivables are recognised at amortised cost with pro-rata temporis remuneration reflected in the interest margin over the recovery period;
- to a business model Other receivables acquired for trading purposes, found in the case of purchases in excess of their tax capacity and the signing of related assignment agreements. These receivables are measured at fair value with an impact on the income statement. However, the average permanence of receivables in the portfolio is limited to the period strictly necessary for their subsequent sale.

Presentation in the financial statements and disclosures in periodic accounting reports.

Since purchased tax credits do not represent tax assets, government grants, intangible assets or financial assets under international accounting standards, the most appropriate classification for the purposes of presentation in the financial statements is the residual classification of 'other assets' in the balance sheet (asset item 120).

A.3 - Disclosure of transfers between portfolios of financial assets

A.3.1. Reclassified financial assets: change of business model, book value and interest income

As at 31/12/2024, there were no reclassified financial assets.

A.3.2. Reclassified financial assets: change of business model, fair value and effects on profitability

As at 31/12/2024, there were no reclassified financial assets.

A.3.3. Reclassified financial assets: change of business model and effective interest rate

As at 31/12/2024, there were no reclassified financial assets.

A.4 - Fair Value Disclosures

IFRS 13 requires that assets and liabilities measured at fair value on a recurring basis are those for which IAS/IFRS require or permit fair value measurement in the financial statements. Assets and liabilities measured at fair value on a non-recurring basis, on the other hand, are those for which IAS/IFRS require or permit fair value measurement in the financial statements in particular circumstances. In order to improve the transparency of fair value measurement disclosures in the financial statements, the IASB introduced the so-called fair value hierarchy.

A.4.1 Fair Value Levels 2 and 3: Valuation Techniques and Inputs Used

In December 2012, the European Commission endorsed the new standard IFRS 13 "Fair Value Measurement" with Regulation (EU) No. 1255/2012, effective from 1 January 2013. IFRS 13 defines fair value as: 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'. This is a definition of fair value that for financial instruments replaces the previous version in IAS 39. In the case of financial liabilities, the new definition of fair value in IFRS 13 therefore requires that the value that would be paid for the transfer of the liability (exit price) be identified as such, rather than as the value required to settle the liability (the definition in IAS 39). This results in a strengthening of the recognition of adjustments to the fair value of financial liabilities - other than derivative instruments - attributable to the issuer's creditworthiness (Own Credit Adjustment - OCA), compared to what is already regulated in this regard by IAS 39. In particular, with regard to the determination of the fair value of OTC derivatives on the assets side of the balance sheet, IFRS 13 confirmed the rule to apply the counterparty risk adjustment (Credit Valuation Adjustment - CVA). With regard to financial liabilities represented by OTC derivatives, IFRS 13 introduces the so-called Debit Valuation Adjustment (DVA), i.e. a fair value adjustment to reflect its own default risk on such instruments, an issue not explicitly addressed by IAS 39. The fair value of investments listed in active markets is determined by reference to market prices as of the last reporting day of the financial year. In the case of financial instruments quoted in active markets, the determination of fair value is based on quotations in the active market of reference, which may also be obtained from international providers and recorded on the last reference day of the financial year. A market is defined as active if the quotations reflect normal market transactions, are readily and regularly available, and express the price of actual and regular market transactions. Qualora the same financial instrument is listed on more than one market, the quotation to be considered is the one on the most advantageous market to which the company has access. In the case of unlisted financial instruments, fair value is determined by applying valuation techniques aimed at determining of the price the instrument would have had on the market at the valuation date in a free exchange motivated by normal commercial considerations. Fair value is determined through the following techniques: use of recent market transactions, reference to the price of financial instruments with the same characteristics as the one being valued, quantitative methods. In particular, for unlisted bonds, models are applied to discount expected future cash flows, using interest rate structures that appropriately take into account the issuer's business sector and rating class, where available. In the case of mutual , which are not traded in active markets, fair value is determined on the basis of the published Net Asset Value, adjusted if necessary to take into account possible changes in value occurring between the redemption request date and the actual redemption date. Equity securities not traded in an active market, for which the fair value cannot be reliably determined according to the most widely used methods, are valued at cost, adjusted for any significant decreases in value. For on-demand/off-demand loans and deposits, an immediate maturity of the contractual obligations was assumed to coincide with the balance sheet date, and therefore their fair value is approximated to the carrying value. Similarly, for short-term loans, the book value was assumed. For medium/long-term loans to customers, the fair value obtained through valuation techniques by discounting the residual contractual flows at effective interest rates, appropriately adjusted to take into account the creditworthiness of individual borrowers (represented by the probability of default and the estimated loss in the event of default). For impaired assets, the carrying value is considered an approximation of fair value. For and long-term debt represented by securities measured at amortised cost and hedged for interest rate risk, the carrying value is adjusted for the fair value attributable to the hedged risk by discounting the related cash flows. For derivative contracts traded on regulated markets, the fair value is assumed to be the market price on the last trading day of the financial year. Over-the-counter derivative contracts are valued on the basis of a variety of models, depending on the input factors affecting the relative valuation and taking into account adjustments for counterparty risk. The Group does not calculate and recognise fair value adjustments to derivatives for CVA and DVA if collateralisation agreements for derivative positions with the following characteristics have been formalised and made operational:

- bilateral exchange of the guarantee at a high frequency (daily or midweek at the latest);
- type of collateral represented by cash or government securities of high liquidity and credit quality, subject to appropriate prudential haircuts;
- absence of a threshold of the fair of the derivative below which the exchange of collateral not envisaged, or the setting of a level of such threshold that is adequate to permit effective and significant mitigation of counterparty risk;
- MTA - Minimum Transfer Amount (i.e. the difference between the fair value of the contract and the value of the collateral) - below which the collateralisation of positions is not adjusted, contractually identified at a level that allows for substantial mitigation of counterparty risk.

Hedging derivatives outstanding at the balance sheet date are all collateralised.

A.4.2 Processes and sensitivity of evaluations

As at 31 December 2024, there were no assets classified in level 2 of the fair value hierarchy. Financial Assets are conventionally classified at level 3 of the Fair hierarchy, Financial Assets referring to equity securities "measured at cost" related to instrumental equity interests, for which the fair value cannot be reliably or verifiably determined.

A.4.3 Fair Value Hierarchy

According IFRS 13, the fair value hierarchy must be applied to all financial instruments for which fair value measurement is recognised in the balance sheet. In this regard, for these instruments, the highest priority is given to official prices available in active markets and lower priority to the use of unobservable inputs, as these are more discretionary. Accordingly, fair value is determined through the use of prices obtained from the financial markets, in the case of instruments listed on active markets, or through use, for other financial instruments, of valuation techniques aimed at estimating fair value. The levels used for the classifications in these notes are as follows:

"Level 1": the fair value of financial instruments is determined on the basis of quoted prices observable in active markets (unadjusted) at which si can access at date of valuation; "Level 2": the fair value of financial instruments is determined on the basis of quoted inputs observable directly or indirectly for the asset or liability, also using valuation techniques;

"Level 3": the fair value of financial instruments is determined on the basis of unobservable inputs for the asset or liability, also using valuation techniques.

A quoted price in an active market provides the most reliable evidence of fair value and, when available, should be used without adjustment to measure fair value. In the absence of quoted prices in active markets, financial instruments must be classified in Level 2 or Level 3. Classification in Level 2 rather than Level 3 is determined based on the observability in the markets of the significant inputs used in determining fair value.

A.4.4 Other information

No other information is noted.

A.4.5 Fair Value Hierarchy

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value level.

Financial assets/liabilities measured at fair value	31/12/2024			31/12/2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets at fair value through profit or loss	91.634	0	138.603	83.941	0	101.314
(a) financial assets held for trading	91.634	0	422	83.941	0	618
(b) financial assets designated at fair value	0	0	0	0	0	0
(c) financial assets mandatorily measured at fair value	0	0	138.182	0	0	100.696
2. Financial assets measured at fair value with impact on profitability total	159.521	0	13.667	461.456	0	13.511
3. Hedging derivatives	0	0	0	0	0	0
4. Material activities	0	0	2.387	0	0	2.664
5. Intangible Assets	0	0	0	0	0	0
Total	**251.154**	**0**	**154.657**	**545.3G7**	**0**	**117.48G**
1. Financial liabilities held for trading	0	0	420	0	0	442
2. Financial liabilities measured at fair value	0	0	0	0	0	0
3. Hedging derivatives	0	0	0	0	0	0
Total	**0**	**0**	**420**	**0**	**0**	**442**

Legend:
Level 1= Fair value of a financial instrument listed in an active market;
Level 2= Fair value measured on basis of valuation techniques that take into account observable market parameters other than the price of the financial instrument;
Level 3= Fair value calculated on the basis of valuation techniques using parameters that are not observable in the market.

Instruments measured at fair value level 3 mainly include financial assets that are mandatorily measured at fair value and amounted to €138.2 million as at 31 December 2024. The item is specifically composed of units of mutual funds, mainly NPL funds, and loans to customers on which the SPPI test was not passed.

A.4.5.2 Annual changes in assets measured at fair value on a recurring basis (level 3)

	Financial assets measured at fair value with impact on income statement economic				Financial assets measured at fair value with impact on comprehensive income	Hedging derivatives	Material activities	Intangible Assets
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) financial assets mandatorily measured at fair value				
1. Initial Existence	**101.314**	**618**	**0**	**100.6G6**	**13.511**	**0**	**2.664**	**0**
2. Increases								
2.1. Purchases	51.295	422	0	**50.873**	20	0	0	0
2.2. Imputed profits a:				**0**			0	0
2.2.1. Profit and Loss Account	0	0	0	**0**	0	0	0	0
- of which capital gains	0	0	0	**0**	0	0	0	0
2.2.2. Net worth	X	X	X	X	202	0	0	0
2.3. Transfers from other levels	0	0	0	**0**	0	0	0	0
2.4. Other Increases	0	0	0	**0**	0	0	0	0
3. Decreases				**0**			0	0
3.1. Sales	9.590	618	0	**8.G71**	0	0	277	0
3.2. Refunds	276	0	276	**0**	0	0	0	0
3.3. Losses attributed to:				**0**			0	0
3.3.1. Profit and Loss Account	4.141	0	0	**4.141**	0	0	0	0
- of which capital losses	4.244	0	0	**4.244**	0	0	0	0
3.3.2. Net worth	X	X	X	X	66	0	0	0
3.4. Transfer to other levels	0	0	0	**0**	0	0	0	0
3.5. Other decreases	0	0	0	**0**	0	0	0	0
4. Closing inventories	**138.603**	**422**	**-276**	**138.182**	**13.667**	**0**	**2.387**	**0**

A.4.5.3 Annual changes in liabilities measured at fair value on a recurring basis (Level 3)

	Financial liabilities held for negotiation	Designated financial liabilities at fair value	Derivatives of coverage
1. Initial Existence	**442**	**0**	**0**
2. Increases			
2.1. Emissions	422	0	0
2.2. Losses attributed to:			
2.2.1. Profit and Loss Account	0	0	0
- of which capital losses	0	0	0
2.2.2. Net worth	X	X	0
2.3. Transfers from other levels	0	0	0
2.4. Other Increases	0	0	0
3. Decreases			
3.1. Refunds	442	0	0
3.2. Buybacks	0	0	0
3.3. Losses attributed to:			

	Financial liabilities held for negotiation	Designated financial liabilities at fair value	Derivatives of coverage
3.3.1. Profit and Loss Account	1	0	0
- of which capital gains	1	0	0
3.3.2. Net worth	X	X	0
3.4. Transfer to other levels	0	0	0
3.5. Other decreases	0	0	0
4. Closing inventories	**420**	**0**	**0**

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

Entries	31/12/2024				31/12/2023			
	VB	L1	L2	L3	VB	L1	L2	L3
1. Financial assets measured at amortised cost	3.630.798	619.623	0	3.011.174	3.545.822	386.499	0	3.159.323
2. Tangible assets held for investment purposes	0	0	0	0	3.545.822	386.499	0	3.159.323
3. Non-current assets and disposal groups held for sale	0	0	0	0	0	0	0	0
Total	**3.630.7G8**	**61G.623**	**0**	**3.011.174**	**3.545.822**	**386.4GG**	**0**	**3.15G.323**
1. Financial liabilities measured at amortised cost	4.036.386	0	0	4.036.386	4.452.888	0	0	4.452.888
2. Liabilities associated with discontinued operations	0	0	0	0	0	0	0	0
Total	**4.036.386**	**0**	**0**	**4.036.386**	**4.452.888**	**0**	**0**	**4.452.888**

Legend:
VB= Book value - L1= Level 1 - L2= Level 2 - L3= Level 3

A.5 - So-called 'day one profit/loss' disclosure

The Group has no transactions for which, upon initial recognition of financial instruments not listed on active markets, this so-called 'day one profit/loss' component was recognised. Consequently, the disclosure required by IFRS 7, para. 28 is not provided.

PART B - Balance Sheet Information

ACTIVE

Section 1 - Cash and cash equivalents - Item 10

1.1 Cash and cash equivalents: composition

Entries	31/12/2024	31/12/2023	Variaz.	Change %
(a) Cash	15.246	15.519	-273	-1,76%
(b) Sight deposits with Central Banks	78.000	278.062	-200.062	-71,95%
c) Current accounts and sight deposits with banks	38.067	47.703	-9.636	-20,20%
Total	**131.313**	**341.284**	**-209.971**	**-61,52%**

Notes

Unrestricted deposits with central banks do not include the Mandatory Reserve, which is shown asset item 40(a) "Financial assets measured at amortised cost (a) loans to banks".

Section 2 - Financial assets at fair value through profit or loss - Item 20

2.1 Financial assets held for trading: composition by type

Items/values	31/12/2024			31/12/2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. Cash assets						
1 Debt Securities	86.043	0	0	83.941	0	0
1.1 Structured Securities	0	0	0	385	0	0
1.2 Other Debt Securities	86.043	0	0	83.557	0	0
2 Capital Securities	5.027	0	0	0	0	0
3 O.I.C.R. shares	564	0	0	0	0	0
4 Financing	0	0	0	0	0	0
4.1 Repos	0	0	0	0	0	0
4.2 Others	0	0	0	0	0	0
Total A	**91.634**	**0**	**0**	**83.941**	**0**	**0**
B. Derivative Instruments						
1 Financial derivatives:	0	0	422	0	0	618
1.1 trading	0	0	422	0	0	618
1.2 related to the fair value option	0	0	0	0	0	0
1.3 Others	0	0	0	0	0	0
2 Credit derivatives	0	0	0	0	0	0
2.1 trading	0	0	0	0	0	0
2.2 related to the fair value option	0	0	0	0	0	0
2.3 Others	0	0	0	0	0	0
Total B	**0**	**0**	**422**	**0**	**0**	**618**
Total (A+B)	**91.634**	**0**	**422**	**83.941**	**0**	**618**

2.2 Financial assets held for trading: composition by debtors/issuers/counterparties

Items/values	31/12/2024	31/12/2023	Variaz.	Change %
A. CASH ASSETS				
1. Debt Securities	**86.043**	**83.941**	**2.102**	**0,00%**
(a) Central Banks	0	0	0	0,00%
b) Public administrations	67.217	60.136	7.081	0
(c) Banks	13.312	19.198	-5.886	0
d) Other financial companies	2.488	1.833	656	0
of which: insurance companies	1.039	203	837	0
e) Non-financial companies	3.026	2.775	250	0
2 Capital Securities	**5.027**	**0**	**5.027**	**0,00%**
(a) Banks	456	0	456	0,00%
b) Other financial companies	943	0	943	0,00%
of which: insurance companies	607	0	607	0,00%
c) Non-financial companies	3.628	0	3.628	0,00%
d) Other issuers	0	0	0	0,00%
3 O.i.c.r. shares	**564**	**0**	**564**	**0,00%**
4 Financing	**0**	**0**	**0**	**0,00%**
(a) Central Banks	0	0	0	0,00%
b) Public administrations	0	0	0	0,00%
(c) Banks	0	0	0	0,00%
d) Other financial companies	0	0	0	0,00%
of which: insurance companies	0	0	0	0,00%

Items/values	31/12/2024	31/12/2023	Variaz.	Change %
e) Non-financial companies	0	0	0	0,00%
f) Families	0	0	0	0,00%
Total (A)	**91.634**	**83.941**	**7.692**	**9,16%**
B DERIVATIVE INSTRUMENTS				
a) Central Counterparts	0	0	0	0,00%
b) Others	422	618	-197	-31,83%
Total (B)	**422**	**618**	**-197**	**-31,83%**
Total (A+B)	**92.055**	**84.560**	**7.495**	8,86%

2.3 Financial assets designated at fair value: product breakdown

Items/values	31/12/2023			31/12/2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. Cash assets						
1 Debt Securities	0	0	0	0	0	0
1.1 Structured Securities	0	0	0	0	0	0
1.2 Other Debt Securities	0	0	0	0	0	0
2 Financing	0	0	0	0	0	0
2.1 Structured	0	0	0	0	0	0
2.2 Others	0	0	0	0	0	0
Total	0	0	0	0	0	0

2.5 Financial assets mandatorily measured at fair value: breakdown by commodity

Items/values	31/12/2024			31/12/2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. Cash assets						
1 Debt Securities	0	0	3.426	0	0	3.651
1.1 Structured Securities	0	0	0	0	0	0
1.2 Other Debt Securities	0	0	3.426	0	0	3.651
2 Capital Securities	0	0	0	0	0	0
3 O.I.C.R. shares	0	0	36.402	0	0	25.722
4 Financing	0	0	98.354	0	0	71.324
4.1 Repos	0	0	0	0	0	0
4.2 Others	0	0	98.354	0	0	71.324
Total	0	0	138.182	0	0	100.696

2.6 Financial assets mandatorily measured at fair value: composition by debtor/issuer

Items/values	31/12/2024	31/12/2023
1 Capital Securities	**0**	**0**
of which: Banks	0	0
of which: Other financial companies	0	0
of which: Other non-financial companies	0	0
2. Debt Securities	**3.426**	**3.651**
(a) Central Banks	0	0
b) Public administrations	0	0
(c) Banks	1.051	1.002
d) Other financial companies	282	0
of which: insurance companies	0	0
e) Non-financial companies	2.093	2.649
3 O.i.c.r. shares	**36.402**	**25.722**
2 Financing	**98.354**	**71.324**
(a) Central Banks	0	0
b) Public administrations	0	0
(c) Banks	0	0
d) Other financial companies	3.805	4.119
of which: insurance companies	1.030	1.008
e) Non-financial companies	93.078	66.000
f) Families	1.470	1.204
Total	**138.182**	**100.696**

Section 3 - Financial assets at fair value through profit or loss - Item 30

3.1 Financial assets measured at fair value with impact on comprehensive income: breakdown by product

Items/values	Total 31/12/2024			Total 31/12/2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt Securities	158.765	0	0	460.627	0	0
1.1 Structured Securities	0	0	0	0	0	0
1.2 Other Debt Securities	158.765	0	0	460.627	0	0
2. Equity Securities	756	0	13.667	829	0	13.511
3. Financing	0	0	0	0	0	0
Total	**159.521**	**0**	**13.667**	**461.456**	**0**	**13.511**

3.2 Financial assets measured at fair value with impact on comprehensive income: breakdown by debtor/issuer

Items/values	Total 31/12/2024	Total 31/12/2023	Variaz.	Change %
1. Debt Securities	**158.765**	**460.627**	**-301.862**	**-65,53%**
(a) Central Banks	0	0	0	0,00%
b) Public administrations	153.961	453.461	-299.501	-66,05%
(c) Banks	4.804	7.165	-2.361	-32,95%
d) Other financial companies	0	0	0	0,00%
of which: insurance companies	0	0	0	0,00%
e) Non-financial companies	0	0	0	0,00%
2. Equity Securities	**14.423**	**14.340**	**83**	0,58%
(a) Banks	7.511	7.511	0	0,00%
(b) Other issuers:	6.912	6.829	83	1,21%
- other financial companies	493	509	-16	-3,16%
of which: insurance companies	0	0	0	0,00%
- non-financial companies	6.419	6.320	99	1,57%
- others	0	0	0	0,00%
3. Financing	**0**	**0**	0	0,00%
(a) Central Banks	0	0	0	0,00%
b) Public administrations	0	0	0	0,00%
(c) Banks	0	0	0	0,00%
d) Other financial companies	0	0	0	0,00%
of which: insurance companies	0	0	0	0,00%
e) Non-financial companies	0	0	0	0,00%
f) Families	0	0	0	0,00%
Total	**173.188**	**474.967**	**-301.779**	**-63,54%**

3.3 Financial Assets Valued at Fair Value with Impact on Comprehensive Income: Gross Value and Total Value Adjustments

	Gross value				Total value adjustments			Overall partial write-offs
	First stage	of which: Instruments with low risk of credit	Second stage	Third stage	First stage	Second stage	Third stage	
Debt Securities	158.805	158.805	0	0	40	0	0	0
Financing	0	0	0	0	0	0	0	0
Total 31/12/2024	158.805	158.805	0	0	40	0	0	0
Total 31/12/2023	458.397	458.397	2.497	0	261	6	0	0
of which: Impaired financial assets acquired or originate	X	X	0	0	X	0	0	0

Section 4 - Financial assets measured at amortised cost - Item 40

4.1 Financial assets measured at amortised cost: breakdown of loans to banks by type

Type of transaction / Values	Total 31/12/2024						Total 31/12/2023					
	Balance sheet value			Fair value			Balance sheet value			Fair value		
	First and second stages	Third stage	of which: impaired acquired or originate	Level 1	Level 2	Level 3	First and second stages	Third stage	of which: impaired acquired or originate	Level 1	Level 2	Level 3
A. Loans and advances to banks Power stations	**28.094**	**0**	**0**	**0**	**0**	**28.094**	**29.508**	**0**	**0**	**0**	**0**	**29.508**
1. Maturity Deposits	0	0	0	X	X	X	0			X	X	X
2. Reserve requirements	28.094	0	0	X	X	X	29.508			X	X	X
3. Repos	0	0	0	X	X	X	0			X	X	X

Type of transaction / Values	Total 31/12/2024						Total 31/12/2023					
	Balance sheet value			Fair value			Balance sheet value			Fair value		
	First and second stages	Third stage	of which: impaired acquired or originate	Level 1	Level 2	Level 3	First and second stages	Third stage	of which: impaired acquired or originate	Level 1	Level 2	Level 3
4. Others	0	0	0	X	X	X	0			X	X	X
B. Due from banks	122.917	0	0	2.737	0	50.087	53.770			3.683	0	50.087
1. Financing	120.180	0	0	0	0	50.087	50.087			0	0	50.087
Current accounts and deposits in sight	0	0	0	X	X	X	0			X	X	X
1.2. Maturity Deposits	50.073	0	0	X	X	X	50.087			X	X	X
1.3. Other Financing:	70.107	0	0	X	X	X	0			X	X	X
- Repurchase agreements	70.107	0	0	X	X	X	0			X	X	X
- Lease financing	0	0	0	X	X	X	0			X	X	X
- Others	0	0	0	X	X	X	0			X	X	X
2. Debt Securities	2.737	0	0	2.737	0	0	3.683			3.683	0	0
2.1 Structured Securities	0	0	0	0	0	0	0			0	0	0
2.2 Other Debt Securities	2.737	0	0	2.737	0	0	3.683			3.683	0	0
Total	**151.012**	**0**	**0**	**2.737**	**0**	**78.181**	**83.277**	**0**	**0**	**3.683**	**0**	**79.595**

4.2 Financial assets measured at amortised cost: breakdown of loans to customers - Part 1

Type of transactions/values	Total 31/12/2024						
	Balance sheet value				Fair value		
	First and second stadium	Third stage	impaired acquired or originate	Total	Level 1	Level 2	Level 3
1. Financing	**2.724.018**	**136.133**	**2.749**	**2.862.900**	**X**	**X**	**3.057.201.746**
Current accounts	334.014	13.482	985	**348.482**	X	X	X
1.2. Repurchase agreements	0	0	0	**0**	X	X	X
1.3. Mortgages	1.331.991	55.738	452	**1.388.181**	X	X	X
1.4. Credit cards, personal loans and salary assignments	17.601	272	33	**17.907**	X	X	X
1.5. Lease Financing	264.133	22.560	0	**286.692**	X	X	X
1.6. Factoring	0	0	0	**0**	X	X	X
1.7. Other Financing	776.278	44.081	1.279	**821.638**	X	X	X
2. Debt Securities	616.886	0	0	**616.886**	591.061	0	0
2.1 Structured Securities	0	0	0	**0**	0	0	0
2.2 Other Debt Securities	616.886	0	0	**616.886**	591.061	0	0
Total (book value)	**3.340.904**	**136.133**	**2.749**	**3.479.786**	**591.061**	**0**	**3.057.202**

4.2 Financial assets measured at amortised cost: breakdown of loans to customers - Part 2

Type of transactions/values	Total 31/12/2023						
	Balance sheet value				Fair value		
	First and second stadium	Third stage	impaired acquired or originated	Total	Level 1	Level 2	Level 3
1. Financing							
Current accounts	334.362	14.396	1.316	**350.074**	X	X	X
1.2. Repurchase agreements	0	0	0	**0**	X	X	X
1.3. Mortgages	1.414.371	73.782	469	**1.488.622**	X	X	X
1.4. Credit cards, loans personal and salary assignments	15.825	443	1	**16.269**	X	X	X
1.5. Lease Financing	279.825	22.232	0	**302.057**	X	X	X
1.6. Factoring	0	0	0	**0**	X	X	X
1.7. Other Financing	868.704	51.936	2.068	**922.708**	X	X	X
2. Debt Securities	382.816	0	0	**382.816**	352.713	0	0
2.1 Structured Securities	0	0	0	**0**	0	0	0
2.2 Other Debt Securities	382.816	0	0	**382.816**	352.713	0	0
Total (book value)	**3.295.903**	**162.788**	**3.854**	**3.462.545**	**352.713**	**0**	**0**

4.3 Financial assets measured at amortised cost: composition by debtor/issuer of loans to customers

Type of transaction/Values	Total 31/12/2024			Total 31/12/2023		
	First and second stages	Third stage	impaired acquired or originate	First and second stages	Third stage	impaired acquired or originate
1. Debt Securities	**616.886**	**0**	**0**	**384.046**	**0**	**0**
(a) Public administrations	616.886	0	0	382.816	0	0

Type of transaction/Values	Total 31/12/2024			Total 31/12/2023		
	First and second stages	Third stage	impaired acquired or originate	First and second stages	Third stage	impaired acquired or originate
b) Other financial companies	0	0	0	1.230	0	0
of which: companies of insurance	*0*	*0*	*0*	*0*	*0*	*0*
c) Non-financial companies	0	0	0	0	0	0
2. Loans to:	**2.724.018**	**136.133**	**2.749**	**2.911.857**	**162.788**	**3.854**
(a) Public administrations	1.414	0	0	857	0	0
b) Other financial companies	334.092	1.796	0	354.181	1.332	0
of which: companies of insurance	*25.941*	*0*	*0*	*9.199*	*0*	*0*
c) Non-financial companies	1.127.495	98.636	2.186	1.253.612	115.941	3.268
d) Families	1.261.017	35.701	563	1.303.207	45.514	586
Total	**3.340.904**	**136.133**	**2.749**	**3.295.903**	**162.788**	**3.854**

4.4 Financial Assets Valued at Amortised Cost: Gross Value and Total Value Adjustments

	Gross value					Total value adjustments				Overall partial write-offs
	First stage	of which: Instruments with low risk of credit	Second stage	Third stage	Impaired acquired or originated	First stage	Second stage	Third stage	Impaired acquired or originated	
Debt Securities	617.787	619.823	2.035	0		190	9	0	,00	0
Financing	2.589.741	2.544.998	299.984	228.426	4.788	8.356	9.076	92.293	2.039	1.200
Total 31/12/2024	**3.207.528**	**3.164.820**	**302.019**	**228.426**	**4.788**	**8.546**	**9.086**	**92.293**	**2.039**	**1.200**
Total 31/12/2023	**3.077.568**	**3.071.522**	**319.530**	**258.170**	**5.249**	**8.892**	**9.025**	**95.382**	**1.395**	**0**

Notes:

the item loans includes exposures subject to Covid-19 support measures, in the form of 'New loans', totalling € 315.95 mln, of which € 294.19 mln in performing status and € 21.76 mln in non-performing status. Total value adjustments amounted to € 4.58 mln, of which € 3.86 mln on non-performing positions.

Section 5 - Hedging derivatives - Item 50

As at 31 December 2024, this item is not valued.

Section 6 - Value adjustments of macro-hedged financial assets

As at 31 December 2024, this item is not valued.

Section 7 - Participating interests - Item 70

7.1 Participations: information on participatory relationships

Designations	Registered office	Headquarters operational	Share of participation %	Availability votes %
A. Jointly controlled undertakings				
B. Companies subject to significant influence				
1. C. H. s.p.a. (1)	Empoli	Empoli	49,60%	29,60%
2. Cabel Industry s.p.a.	Empoli	Empoli	8,04%	8,04%

Notes

(1) - During the course of 2019, a Trust was created to which the Bank transferred 20% of the shares held in C.H. S.p.A. as a USUIT. The cost, book value and percentage of ownership remained unchanged while the number of shares (for the purpose of the % of voting rights exercisable at the General Meeting) decreased from 49.60% to 29.60%.

On 24/07/2024 the term of the aforementioned usufruct right expired and, in the absence of its renewal, pursuant Article 12 of the Regulation the Trust ceased to exist as of 25 July 2024. For further details on this matter, see the specific paragraph "Consolidation areas and methods" included in Part A of these Notes.

7.2 Significant holdings: book value, fair value and dividends received

Designations	Balance sheet value	Fair value	Dividends perceived
A. Jointly controlled undertakings	**0**	**0**	**0**
A. Companies under significant influence	**16.375**	**16.375**	**0**
1. C.H. s.p.a.	14.818	14.818	0
2. Cabel Industry s.p.a.	1.558	1.558	0
Totals	**16.375**	**16.375**	**0**

Notes

For identification of the fair value of investments in companies under significant influence, reference was made to the balance sheet value as none of these companies are listed.

7.3 Significant shareholdings: accounting information

Designations	Case and availability liquid	Financial assets	Non-financial assets	Financial liabilities	Non-financial liabilities	Total Revenues	Interest margin
A. Subsidiaries joint	**0**	**0**	**0**	**0**	**0**	**0**	**0**
B. Companies subject to influence remarkable	x	**14.391**	**83.720**	**0**	**32.912**	**34.478**	**0**
1. C.H. s.p.a.	x	14.346	28.644	0	682	1.148	x
2. Cabel Industry s.p.a.	x	45	55.076	0	32.230	33.329	x
Totals		**14.391**	**83.720**	**0**	**32.912**	**34.478**	**0**

Designations	Write-downs and write-ups on tangible and intangible assets	Profit (loss) from current operations before tax	Profit (loss) from current operations after tax	Profit (loss) of groups of assets held for sale net of taxes	Profit (loss) the year (1)	Other income components after tax (2)	Overall profitability (3) = (1) + (2)
A. Subsidiaries joint	**0**	**0**	**0**	**0**	**0**	**0**	**0**
B. Companies subject to influence remarkable	**0**	**3.088**	**2.095**	**0**	**2.095**	**0**	**2.095**
1. C.H. s.p.a.	x	174	115	0	115	0	115
2. Cabel Industry s.p.a.	x	2.914	1.980	0	1.980	0	1.980
Totals	**0**	**3.088**	**2.095**	**0**	**2.095**	**0**	**2.095**

Notes
The companies mentioned above perform instrumental activities and ancillary services to the Group's business. The values shown in this table refer to 30 September 2024.

The balance sheet value was determined according to the following scheme:

Designations	Heritage net	Share of participation %	Purchases/Sales	Dividends perceived	Balance sheet value to PN
1. C.H. S.p.A.	29.874	49,60%	0	0	14.818
2. Cabel Industry S.p.A.	19.369	8,04%	0	0	1.558
Totals	**49.243**		**0**	**0**	**16.375**

The shareholders' equity shown in the table - with reference to C.H. S.p.A. and Cabel Industry S.p.A. - differs from the actual shareholders' equity of the respective companies in that it has adjusted to international accounting standards (IAS/IFRS); in consideration of the loss recorded by C.H. S.p.A. at the end of 2024 financial year, a valuation of the same was carried out with the help of an independent expert, which showed that the losses recorded by the company were attributable to extraordinary and non-repeatable events, and therefore did not constitute an element of impairment.
In addition, with regard to the net equity value used for the valuation of C.H. S.p.A., the same does not include the revaluation ex lege of the real estate carried out by the investee company for civil law purposes in previous years and consequently is not affected by the adjustment of these fixed assets made to the financial statements as of 31.12.2024 by C.H. S.p.A.

7.5 Equity investments: annual changes

Entries	Total 31/12/2024	Total 31/12/2023
A. Initial Existence	**15.933**	**16.479**
B. Increases	**442**	**144**
B.1 Purchases	0	0
B.2 Write-backs	0	0
B.3 Revaluations	442	144
B.4 Other Changes	0	0
C. Decreases	**0**	**690**
C.1 Sales	0	294
C.2 Value Adjustments	0	0
C.3 Write-downs	0	395
C.4 Other Changes	0	0
D. Closing inventories	**16.375**	**15.933**
E. Total revaluations	**15.244**	**14.802**
F. Total Adjustments	**0**	**0**

Notes
Line B.3 "Revaluations" includes the revaluation of the company Cabel Industry s.p.a. for a total of € 194 thousand and of the company C.H. S.p.A. for a total of € 248 thousand, to adjust the value to the share of equity held by the Bank.

7.7 Equity Investments: Commitments Relating to Investments in Companies Under Significant Influence

There are no commitments that could generate contingent liabilities arising from any joint and several liability.

7.8 Equity Investments: Significant Restrictions

There are no significant restrictions on investments in companies subject to significant influence.

Section 8 - Reinsurers' share of technical provisions - Item 80

There are no technical reserves.

Section 9 - Tangible Assets - Item 90

9.1 Tangible Assets for Functional Use: Composition of Assets Valued at Cost

Activities/values	Total 31/12/2024	Total 31/12/2023
1. Ownership activities	**60.737**	**61.673**
(a) land	10.466	10.466
(b) buildings	34.917	35.883
(c) furniture	10.720	10.621
(d) electronic equipment	806	944
(e) other	3.827	3.758
2. Rights of use acquired by leasing	**13.231**	**9.535**
(a) land	0	0
(b) buildings	13.193	9.459
(c) furniture	0	0
(d) electronic equipment	0	0
(e) other	38	75
Total	**73.968**	**71.207**
of which: obtained through the enforcement of guarantees received	*0*	*0*

Notes

All of the Group's tangible assets are measured at cost; the line "land" shows the value of the land being separated from the value of the buildings. Sub-item 2. includes rights of use acquired under leases following the entry into force of the new accounting standard IFRS 16 as of 1.1.2019.

9.2 Property, Plant and Equipment Held for Investment Purposes: Composition of Assets Valued at Cost

Activities/values	Total 31/12/2024				Total 31/12/2023			
	Value of budget	Fair value			Balance sheet value	Fair value		
		L1	L2	L3		L1	L2	L3
1. Ownership activities	**16.225**	**0**	**0**	**16.225**	**15.360**	**0**	**0**	**15.360**
(a) land	131	0	0	131	131	0	0	131
(b) buildings	16.094	0	0	16.094	15.230	0	0	15.230
2. Rights of use acquired by leasing	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(a) land	0	0	0	0	0	0	0	0
(b) buildings	0	0	0	0	0	0	0	0
Total	**16.225**	**0**	**0**	**16.225**	**15.360**	**0**	**0**	**15.360**

Legend:
L1= Level 1
L2= Level 2
L3= Level 3

9.4 Property, Plant and Equipment Held for Investment Purposes: Composition of Assets Measured at Fair Value

Activities/values	Total 31/12/2024			Total 31/12/2023		
	Fair value			Fair value		
	L1	L2	L3	L1	L2	L3
1. Ownership activities	**0**	**0**	**2.387**	**0**	**0**	**2.664**
(a) land	0	0	0	0	0	0
(b) buildings	0	0	2.387	0	0	2.664
2. Rights use acquired by leasing	**0**	**0**	**0**	**0**	**0**	**0**
(a) land	0	0	0	0	0	0
(b) buildings	0	0	0	0	0	0
Total	**0**	**0**	**2.387**	**0**	**0**	**2.664**

Legend:
L1= Level 1
L2= Level 2
L3= Level 3

Notes

Property, plant and equipment held for investment purposes and measured at fair value consist of owned real estate not used for business of Group companies.

9.6 Tangible Assets for Functional Use: Annual Changes

Entries	Land	Buildings	Furniture	Installations electronic	More	Total 31/12/2024
A. Gross opening balance	**10.466**	**76.409**	**16.750**	**2.847**	**16.496**	**122.968**
A.1 Total Net Impairments	0	31.066	6.130	1.903	12.662	51.761
A.2 Net opening balances	**10.466**	**45.343**	**10.621**	**944**	**3.834**	**71.207**
A.3 Change in opening balances (FTA IFRS16)	0	0	0	0	0	0
A.4 Net Existence	**10.466**	**45.343**	**10.621**	**944**	**3.834**	**71.207**
B. Increases:	**0**	**9.893**	**695**	**331**	**1.105**	**12.024**
B.1 Purchases	0	9.674	569	239	1.005	11.487
B.2 Capitalised Improvement Expenses	0	185	0	0	0	185
B.3 Write-backs	0	0	0	0	0	0
B.4 Positive changes in fair value charged to:	0	0	0	0	0	0
(a) net assets	*0*	*0*	*0*	*0*	*0*	*0*
(b) profit and loss account	*0*	*0*	*0*	*0*	*0*	*0*
B.5 Exchange rate gains	0	0	0	0	0	0
B.6 Transfers from real estate held for the purpose of investment	0	0	0	0	0	0
B.7 Other changes	0	35	126	92	100	352
C. Decreases:	**0**	**7.126**	**595**	**469**	**1.073**	**9.264**
C.1 Sales	0	456	145	92	114	807
C.2 Depreciation	0	3.422	450	377	959	5.209
C.3 Imputed Impairment Value Adjustments a:	**0**	**0**	**0**	**0**	**0**	**0**
(a) net assets	*0*	*0*	*0*	*0*	*0*	*0*
(b) profit and loss account	*0*	*0*	*0*	*0*	*0*	*0*
C.4 Negative changes in fair value charged to:	**0**	**0**	**0**	**0**	**0**	**0**
(a) net assets	0	0	0	0	0	0
(b) profit and loss account	0	0	0	0	0	0
C.5 Negative Exchange Differences	0	0	0	0	0	0
C.6 Transfers a:	**0**	**0**	**0**	**0**	**0**	**0**
(a) tangible assets held for the purpose of investment	*0*	*0*	*0*	*0*	*0*	*0*
b) non-current assets and groups of assets being divestment	*0*	*0*	*0*	*0*	*0*	*0*
C.7 Other Changes	0	3.248	0	0	0	3.248
D. Net closing balance	**10.466**	**48.110**	**10.720**	**806**	**3.865**	**73.968**
D.1 Total Net Impairments	0	34.453	6.580	2.188	13.522	56.743
D.2 Gross closing balance	**10.466**	**82.564**	**17.300**	**2.994**	**17.387**	**130.711**
E. Valuation at cost	**0**	**0**	**0**	**0**	**0**	**0**

Depreciation has been calculated pro rata using the following rates:

Type	Average rate
- Land	0,00%
- Buildings	3,00%
- Works Art	0,00%
- Furniture and various furnishings	12,00%
- AED plant, machinery and equipment	20,00%
- Plant, machinery and technical equipment	15,00%
- Cars	20,00%
- Rights Use	Depending on the duration of the contract

9.6a Of which: Tangible assets for functional use - Rights use acquired through leasing: annual changes

Entries	Land	Buildings	Furniture	Installations electronic	More	Total 31/12/2024
A. Gross opening balance	**0**	**19.344**	**0**	**0**	**223**	**19.567**
A.1 Total Net Impairments	0	9.884	0	0	148	10.032
A.2 Net opening balances	**0**	**9.459**	**0**	**0**	**75**	**9.535**
A.3 Change in opening balances (FTA IFRS16)	0	0	0	0	0	0
A.4 Net Existence	**0**	**9.459**	**0**	**0**	**75**	**9.535**
B. Increases:	**0**	**8.782**	**0**	**0**	**0**	**8.782**
B.1 Purchases	0	8.782	0	0	0	8.782
B.2 Capitalised Improvement Expenses	0	0	0	0	0	0
B.3 Write-backs	0	0	0	0	0	0
B.4 Positive changes in fair value charged to:	**0**	**0**	**0**	**0**	**0**	**0**
(a) net assets	*0*	*0*	*0*	*0*	*0*	*0*
(b) profit and loss account	*0*	*0*	*0*	*0*	*0*	*0*
B.5 Exchange rate gains	0	0	0	0	0	0
B.6 Transfers from real estate held for investment purposes	0	0	0	0	0	0

Entries	Land	Buildings	Furniture	Installations electronic	More	Total 31/12/2024
B.7 Other changes	0	0	0	0	0	0
C. Decreases:	**0**	**5.048**	**0**	**0**	**38**	**5.086**
C.1 Sales	0	0	0	0	0	0
C.2 Depreciation	0	1.800	0	0	38	1.838
C.3 Impairment adjustments charged to:	**0**	**0**	**0**	**0**	**0**	**0**
(a) net assets	*0*	*0*	*0*	*0*	*0*	*0*
(b) profit and loss account	*0*	*0*	*0*	*0*	*0*	*0*
C.4 Negative changes in fair value charged to:	**0**	**0**	**0**	**0**	**0**	**0**
(a) net assets	0	0	0	0	0	0
(b) profit and loss account	0	0	0	0	0	0
C.5 Negative Exchange Differences	0	0	0	0	0	0
C.6 Transfers a:	**0**	**0**	**0**	**0**	**0**	**0**
(a) tangible assets held for investment purposes	0	0	0	0	0	0
b) non-current assets and groups of assets held for sale	0	0	0	0	0	0
C.7 Other Changes	0	3.248	0	0	0	3.248
D. Net closing balance	**0**	**13.193**	**0**	**0**	**38**	**13.231**
D.1 Total Net Impairments	0	11.685	0	0	185	11.870
D.2 Gross closing balance	**0**	**24.877**	**0**	**0**	**223**	**25.100**
E. Valuation at cost	**0**	**0**	**0**	**0**	**0**	**0**

9.7 Tangible Assets Held for Investment Purposes: Annual Changes

Entries	Land	Buildings	Furniture	Installations electronic	More	Total 31/12/2024
A. Gross opening balance	**131**	**18.000**	**0**	**0**	**0**	**18.131**
A.1 Total Net Impairments	0	107	0	0	0	**107**
A.2 Net opening balances	**131**	**17.893**	**0**	**0**	**0**	**18.024**
B. Increases:	**0**	**865**	**0**	**0**	**0**	**865**
B.1 Purchases	0	106	0	0	0	**106**
of which: business combinations	*0*	*0*	*0*	*0*	*0*	***0***
B.2 Capitalised Improvement Expenses	0	703	0	0	0	**703**
B.3 Write-backs	0	0	0	0	0	**0**
B.4 Positive changes in fair value charged to:	**0**	**0**	**0**	**0**	**0**	**0**
(a) net assets	*0*	*0*	*0*	*0*	*0*	***0***
(b) profit and loss account	*0*	*0*	*0*	*0*	*0*	***0***
B.5 Exchange rate gains	0	0	0	0	0	**0**
B.6 Transfers from real estate held for the purpose of investment	0	0	0	0	0	**0**
B.7 Other changes	0	57	0	0	0	**57**
C. Decreases:	**0**	**277**	**0**	**0**	**0**	**277**
C.1 Sales	0	277	0	0	0	**277**
of which: business combinations	0	0	0	0	0	**0**
C.2 Depreciation	0	0	0	0	0	**0**
C.3 Imputed Impairment Value Adjustments a:	**0**	**0**	**0**	**0**	**0**	**0**
(a) net assets	*0*	*0*	*0*	*0*	*0*	***0***
(b) profit and loss account	*0*	*0*	*0*	*0*	*0*	***0***
C.4 Negative changes in fair value charged to:	**0**	**0**	**0**	**0**	**0**	**0**
(a) net assets	*0*	*0*	*0*	*0*	*0*	***0***
(b) profit and loss account	*0*	*0*	*0*	*0*	*0*	***0***
C.5 Negative Exchange Differences	0	0	0	0	0	**0**
C.6 Transfers a:	**0**	**0**	**0**	**0**	**0**	**0**
(a) tangible assets held for the purpose of investment	*0*	*0*	*0*	*0*	*0*	***0***
(b) discontinued operations	*0*	*0*	*0*	*0*	*0*	***0***
C.7 Other Changes	0	0	0	0	0	**0**
D. Net closing balance	**131**	**18.481**	**0**	**0**	**0**	**18.612**
D.1 Total Net Impairments	0	107	0	0	0	**107**
D.2 Gross closing balance	**131**	**18.589**	**0**	**0**	**0**	**18.719**
E. Valuation at cost	**0**	**0**	**0**	**0**	**0**	**0**

Section 10 - Intangible Assets - Item 100

10.1 Intangible Assets: Breakdown by Type of Asset

Activities/values	Total 31/12/2024		Total 31/12/2023	
	Defined duration	Duration indefinite	Defined duration	Duration indefinite
A.1 Start-up	**0**	**0**	**0**	**0**

Activities/values	Total 31/12/2024		Total 31/12/2023	
	Defined duration	Duration indefinite	Defined duration	Duration indefinite
A.2 Other Intangible Assets	**5.090**	**0**	**4.928**	**0**
Of which: software	**4.436**		**3.808**	
A.2.1 Assets measured at cost:	4.436	0	3.808	0
a) Internally Generated Intangible Assets	0	0	0	0
b) Other activities	4.436	0	3.808	0
A.2.2 Assets measured at fair value:	654	0	1.120	0
a) Internally Generated Intangible Assets	0	0	0	0
b) Other activities	654	0	1.120	0
Total	**5.090**	**0**	**4.928**	**0**

Notes

The intangible asset measured at fair value, generated as part of the business combination of BCC for Web carried out in 2023,
relates to the valuation of the relationships with customers ("Client Relationships") present in the acquired business and emerging at the time of the PPA pursuant IFRS 3. These relationships, represented by managed and administered deposits and current account overdrafts, were amortised on the basis of their useful life, estimated at three years.
The Bank's other intangible assets are valued at cost.

10.2 Intangible assets: annual changes

Entries	Start-up	Other intangible assets: internally generated		Other Activities intangible: other		Total 31/12/2024
		a duration defined	a duration indefinite	a duration defined	a duration indefinite	
A. Gross opening balance	**0**	**0**	**0**	**14.748**	**0**	**14.748**
A.1 Total Net Impairments	0	0	0	9.820	0	**9.820**
A.2 Net opening balances	**0**	**0**	**0**	**4.928**	**0**	**4.928**
B. Increases	**0**	**0**	**0**	**2.710**	**0**	**2.710**
B.1 Purchases	0	0	0	2.710	0	**2.710**
B.2 Increases in internal intangible assets	0	0	0	0	0	**0**
B.3 Write-backs	0	0	0	0	0	**0**
B.4 Positive changes in fair value	0	0	0	0	0	**0**
- to equity	*0*	*0*	*0*	*0*	*0*	***0***
- to profit and loss account	*0*	*0*	*0*	*0*	*0*	***0***
B.5 Positive exchange differences	0	0	0	0	0	**0**
B.6 Other changes	0	0	0	0	0	**0**
C. Decreases	**0**	**0**	**0**	**2.548**	**0**	**2.548**
C.1 Sales	0	0	0	0	0	**0**
C.2 Value Adjustments	**0**	**0**	**0**	**2.548**	**0**	**2.548**
- Amortisation	*0*	*0*	*0*	*2.548*	*0*	***2.548***
- Write-downs	***0***	***0***	***0***	***0***	***0***	***0***
+ net worth	*0*	*0*	*0*	*0*	*0*	***0***
+ profit and loss account	*0*	*0*	*0*	*0*	*0*	***0***
C.3 Negative changes in fair value	**0**	**0**	**0**	**0**	**0**	**0**
- to equity	*0*	*0*	*0*	*0*	*0*	***0***
- to profit and loss account	*0*	*0*	*0*	*0*	*0*	***0***
C.4 Transfers to non-current assets held for sale divestment	0	0	0	0	0	**0**
C.5 Negative exchange differences	0	0	0	0	0	**0**
C.6 Other Changes	0	0	0	0	0	**0**
D. Net closing balance	**0**	**0**	**0**	**5.090**	**0**	**5.090**
D.1 Total net value adjustments	0	0	0	12.368	0	**12.368**
E. Gross closing balance	**0**	**0**	**0**	**17.458**	**0**	**17.458**
F. Valuation at cost	**0**	**0**	**0**	**0**	**0**	**0**

Notes

As at 31 December 2024, other intangible assets consisted entirely of corporate software expenses.

Section 11 - Tax Assets and Tax Liabilities - Item 110 of Assets and Item 60 of Liabilities

11.1 Deferred tax assets: composition

Items/Values	Total 31/12/2024	Total 31/12/2023
1. Multi-year costs	85	34
2. Personnel-related charges	292	287
3. Credits	6.847	10.627
4. Representation expenses	0	0
5. Financial Instruments (HTCS Securities)	1.278	4.174
6. Tax losses	2.301	547
7. Start-up	1.234	1.364
8. Other	67	49
Total	**12.105**	**17.082**

Notes
The line 'Financial Instruments' shows the tax assets relating to financial instruments classified in the portfolio of financial assets measured at fair value with an impact on comprehensive income.
The line "Tax losses" recognised as at 31 December 2024 includes the recognised portion of tax assets calculated on tax losses as well as deferred tax assets accrued as at 31.12.2019 by Invest Banca, which was acquired in the merger transaction, and the tax assets calculated on the tax losses incurred during the year by the Bank.

Item 2. - Details of deferred tax assets:

Items/Values	Total 31/12/2024	Total 31/12/2023
1. IRAP due in 2024	0	530
2. IRES due in 2024	0	3.473
3. IRAP due in 2025	324	324
4. IRES due in 2025	2.122	2.122
5. IRAP due in 2026	138	227
6. IRES due in 2026	907	1.485
7. IRAP due in 2027	59	0
8. IRES due in 2027	386	0
9. IRAP due in 2028	59	0
10. IRES due in 2028	386	0
11. Irap on IFRS9 FTA adjustments due 2028	416	416
12. Ires on adjustments from FTA IFRS9 due 2028	2.052	2.052
Total	**6.847**	**10.627**

11.2 Deferred tax liabilities: composition

Items/Values	Total 31/12/2024	Total 31/12/2023
1. Tangible fixed assets	0	0
2. Personnel-related charges	0	0
3. Former provision for credit risks	0	0
4. Participations	31	16
5. Financial Instruments (HTCS Securities)	0	0
6. Start-up	0	0
7. Other	364	377
Total	**395**	**394**

Notes
The line 'Participations' shows the tax liability on participations calculated at IRES rate (27.50) on 5.00%.
of total surplus value (2,285 mgl.).

11.3 Changes in deferred tax assets (with contra-entry to the income statement)

Entries	Total 31/12/2024	Total 31/12/2023
1. Initial amount	**12.621**	**18.018**
2. Increases	**1.867**	**129**
2.1 Deferred tax assets recognised during the year	1.815	63
(a) relating to previous financial years	*0*	*0*
(b) due to changes in accounting policies	*0*	*0*
(c) write-backs	*0*	*0*
(d) other	*1.815*	*0*
2.2 New taxes or tax rate increases	53	63
2.3 Other Increases	0	0
3. Decreases	**3.954**	**5.526**
3.1 Deferred tax assets cancelled during the year	3.954	4.836
(a) Revolutions	*3.954*	*4.836*
(b) write-downs for non-recoverability	*0*	*0*
(c) change of accounting policies	*0*	*0*
(d) other	*0*	*0*
3.2 Tax Rate Reductions	0	0
3.3 Other decreases	0	690
(a) conversion into tax credits under Law No. 214/2011	*0*	*690*
(b) other	*0*	*0*
4. Final amount	**10.535**	**12.621**

The table summarises all deferred tax assets that will be absorbed in subsequent years as a balancing entry in the income statement.

11.4 Changes in deferred tax assets under Law 214/2011 (with contra-entry to the income statement)

Entries	Total 31/12/2024	Total 31/12/2023
1. Initial amount	**8.160**	**12.829**
2. Increases	**0**	**0**
3. Decreases	**3.780**	**4.669**
3.1 Revolutions	3.780	4.669

Entries	Total 31/12/2024	Total 31/12/2023
3.2 conversion into tax credits	0	0
(a) arising from operating losses	*0*	*0*
(b) arising from tax losses	*0*	*0*
3.3 other decreases	0	0
4. Final amount	**4.380**	**8.160**

11.5 Changes in deferred taxes (with contra-entry to the income statement)

Entries	Total 31/12/2024	Total 31/12/2023
1. Initial amount	**377**	**500**
2. Increases	**0**	**14**
2.1 Deferred taxes recognised in the year	**0**	**14**
(a) relating to previous financial years	*0*	*0*
(b) due to changes in accounting policies	*0*	*0*
(c) other	*0*	*14*
2.2 New taxes or tax rate increases	0	0
2.3 Other Increases	0	0
3. Decreases	**14**	**136**
3.1 Deferred taxes cancelled during the year	**14**	**136**
(a) Revolutions	*14*	*136*
(b) due to changes in accounting policies	*0*	*0*
(c) other	*0*	*0*
3.2 Tax Rate Reductions	0	0
3.3 Other decreases	0	0
4. Final amount	**364**	**377**

Notes

The table summarises all deferred taxation that will be absorbed in subsequent years as a balancing entry in the income statement.

11.6 Changes in deferred tax assets (with contra-entry to)

Entries	Total 31/12/2024	Total 31/12/2023
1. Initial amount	**4.461**	**10.763**
2. Increases	**6**	**72**
2.1 Deferred tax assets recognised during the year	**0**	**0**
(a) relating to previous financial years	*0*	*0*
(b) due to changes in accounting policies	*0*	*0*
(c) other	*6*	*72*
2.2 New taxes or tax rate increases	0	0
2.3 Other Increases	0	0
3. Decreases	**2.896**	**6.374**
3.1 Deferred tax assets cancelled during the year	**2.896**	**6.374**
(a) Revolutions	*2.896*	*6.374*
(b) write-downs for non-recoverability	*0*	*0*
(c) due to changes in accounting policies	*0*	*0*
(d) other	*0*	*0*
3.2 Tax Rate Reductions	0	0
3.3 Other decreases	0	0
4. Final amount	**1.570**	**4.461**

Notes

The changes are attributable to deferred tax assets recognised on the movement in equity reserves relating to financial instruments classified in the portfolios of financial assets measured at fair value with an impact on comprehensive income.

11.7 Changes in deferred taxes (with contra-entry to)

Entries	Total 31/12/2024	Total 31/12/2023
1. Initial amount	**16**	**13**
2. Increases	**15**	**3**
2.1 Deferred taxes recognised in the year	**15**	**3**
(a) relating to previous financial years	*0*	*0*
(b) due to changes in accounting policies	*0*	*0*
(c) other	*15*	*3*
2.2 New taxes or tax rate increases	0	0
2.3 Other Increases	0	0
3. Decreases	**0**	**0**
3.1 Deferred taxes cancelled during the year	**0**	**0**
(a) Revolutions	*0*	*0*
(b) due to changes in accounting policies	*0*	*0*
(c) other	*0*	*0*
3.2 Reduction of tax rates	0	0
3.3 Other decreases	0	0
4. Final amount	**31**	**16**

11.8 Other information - Current tax assets - Composition

Entries	Total 31/12/2024	Total 31/12/2023
1. Advances paid to the tax authorities	2.782	2.292
2. Capital share tax credits	1.736	4.576
3. Interest Tax Credits	0	0
4. Other deductions	189	160
Total	**4.707**	**7.029**

Notes

Current tax assets in 2023 have been treated with 'closed' balances in the balance sheet and 'open' balances in the table above.

11.8 Other Information - Current Tax Liabilities - Composition

Entries	Total 31/12/2024	Total 31/12/2023
1. Ires tax provision	1.335	2.905
2. IRAP tax provision	472	1.001
3. Provision for stamp duties	0	0
4. Provision for taxes - substitute tax L. 244/2007	0	0
5. Provision for taxes - other	0	0
Total	**1.807**	**3.906**

Notes

Current tax liabilities in 2023 have been treated as 'closed balances' in the balance sheet and as 'open balances' in the table above.

Section 13 - Other assets - Item 130

13.1 Other activities: composition

Entries	Total 31/12/2024	Total 31/12/2023
01. Sundry debtors	2.865	5.531
02. Travelling matches	53	5.506
03. Items in Process	23.308	24.144
04. Miscellaneous items to be settled	368	290
05. Mortgages contracted to be disbursed	680	0
06. Cheques, Delinquent and Protest Bills	76	37
07. Assets sold and not written off	0	0
08. Assets for Expenses on Third Party Assets	1.032	1.127
09. Expenses Pending Invoicing	143	324
10. Costs to be charged	220	0
11. Antergate Securities Transactions	893	812
12. Miscellaneous Assets	15.192	18.724
13. Accrued income and prepaid expenses	6.951	3.094
14. Securities to be settled (sales)	0	21.533
15. Tax Credits - Building Bonuses	90.964	97.829
16. Miscellaneous tax items	0	0
17. Other Activities	384	376
Total	**143.129**	**179.327**

LIABILITY

Section 1 - Financial liabilities measured at amortised cost - Item 10

1.1 Financial liabilities measured at amortised cost: breakdown by type of bank debt

Type of transaction/Values	Total 31/12/2024				Total 31/12/2023				Variaz.	Variaz. %
	Balance sheet value	Fair value			Value of budget	Fair value				
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		
1. Due to central banks	**0**	**X**	**X**	**X**	**549.300**	**X**	**X**	**X**	**-549.300**	**-100,00%**
2. Due to banks	**111.102**				**91.772**				**19.330**	**21,06%**
2.1 Current accounts and sight deposits	103.370	X	X	X	86.067	X	X	X	17.302	20,10%
2.2 Maturity Deposits	0	X	X	X	0	X	X	X	0	#DIV/0!
2.3 Financing	7.607	X	X	X	5.594	X	X	X	2.013	35,98%
2.3.1 Repurchase Agreements	0	X	X	X	0	X	X	X	0	-
2.3.2 Others	7.607	X	X	X	5.594	X	X	X	2.013	35,98%
2.4 Payables for own repurchase commitments asset instruments	0	X	X	X	0	X	X	X	0	-
2.5 Leasing liabilities	0	X	X	X	0	X	X	X	0	-
2.6 Other debts	125	X	X	X	110	X	X	X	15	13,77%
Total	**111.102**	**0**	**0**	**111.102**	**641.072**	**0**	**0**	**641.072**	**-529.970**	**-82,67%**

Legend:

Level 1= Fair value of a financial instrument listed in an active market;
Level 2= Fair value measured on the basis of valuation techniques using observable market parameters, other than the quotations of the financial instrument;
Level 3= Fair value calculated on the basis of valuation techniques using parameters that are not observable in the market.
Notes
Amounts due to banks are all valued at cost or amortised cost.

1.2 Financial liabilities measured at amortised cost: composition by type of amounts due to customers

Type of transaction/Values	Total 31/12/2024				Total 31/12/2023				Variaz.	Change %
	Balance sheet value	Fair value			Balance sheet value	Fair value				
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		
1. Current accounts and sight deposits	2.379.130	X	X	X	2.452.653	X	X	X	-73.523	-3,00%
2. Maturity Deposits	1.218.761	X	X	X	858.612	X	X	X	360.149	41,95%
3. Financing	128.924	X	X	X	215.568	X	X	X	-86.644	-40,19%
3.1 Repurchase Agreements	*128.924*	*X*	*X*	*X*	*215.568*	*X*	*X*	*X*	*-86.644*	*-40,19%*
3.2. Others	*0*	*X*	*X*	*X*	*0*	*X*	*X*	*X*	*0*	*#DIV/0!*
4. Payables for commitments to repurchase own equity instruments	0	X	X	X	0	X	X	X	0	#DIV/0!
5. Lease Payables	13.963	X	X	X	10.104	X	X	X	3.859	38,19%
6. Other debts	68.724	X	X	X	102.458	X	X	X	-33.734	-32,92%
Total	**3.809.502**			**3.809.502**	**3.639.396**			**3.639.396**	**170.106**	**4,67%**

Legend:
Level 1= Fair value of a financial instrument listed in an active market;
Level 2= Fair value measured on the basis of valuation techniques using observable market parameters, other than the quotations of the financial instrument;
Level 3= Fair value calculated on the basis of valuation techniques using parameters that are not observable in the market.
Notes
Amounts due to customers are all valued at cost or amortised cost.
Line 5 "Lease payables" is represented by lease liabilities accounted for in accordance with IFRS16. Line 6 "Other payables" includes liabilities associated with assets sold and not derecognised related to the securitisation transaction completed in September 2023.

1.3 Financial liabilities measured at amortised cost: breakdown of securities in issue

Type of securities/Values	Total 31/12/2024				Total 31/12/2023			
	Balance sheet value	Fair value			Balance sheet value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Titles								
1. Bonds	115.782	0	0	115.782	172.406	0	0	172.406
1.1 structured	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
1.2 others	*115.782*	*0*	*0*	*115.782*	*172.406*	*0*	*0*	*172.406*
2. Other titles	0	0	0	0	15	0	0	15
2.1 structured	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
2.2 Others	*0*	*0*	*0*	*0*	*15*	*0*	*0*	*15*
Total	**115.782**	**0**	**0**	**115.782**	**172.421**	**0**	**0**	**172.421**

Legend:
Level 1= Fair value of a financial instrument listed in an active market;
Level 2= Fair value measured on the basis of valuation techniques using observable market parameters, other than the quotations of the financial instrument;
Level 3= Fair value calculated on the basis of valuation techniques using parameters that are not observable in the market.
Notes
The table shows the funding represented by bonds.
All liabilities are measured at cost or amortised cost, except for items specifically hedged against interest rate risk on which the effect of swaps has been capitalised.
Payables are shown net of repurchased bonds.

1.4 Financial liabilities measured at amortised cost: breakdown of subordinated debt/securities

ISIN	Date of issue	Date of reimbursement	Issuing value	Eligible amount in Own Funds
IT0005337719	28/06/2018	28/06/2025	30.000	2.941
IT0005371270	10/06/2019	10/06/2029	5.000	4.441
IT0005376287	20/06/2019	20/06/2029	1.000	894
IT0005385668	25/09/2019	25/09/2029	2.000	1.894
IT0005391518	05/12/2019	05/12/2029	1.000	986
IT0005396426	20/12/2019	20/12/2024	0	0
IT0005253148	01/06/2017	01/06/2024	0	0
IT0005487118	15/03/2022	15/03/2029	2.000	1.681
IT0005495574	16/05/2022	16/05/2030	3.000	3.000
IT0005498859	29/06/2022	29/06/2030	3.000	3.000

ISIN	Date of issue	Date of reimbursement	Issuing value	Eligible amount in Own Funds
IT0005509135	30/09/2022	30/09/2030	2.000	2.000
IT0005510059	30/09/2022	30/09/2030	3.000	3.000
IT0005514960	20/10/2022	20/10/2030	3.000	3.000
IT0005516395	20/10/2022	20/10/2030	700	700
IT0005516403	20/10/2022	20/10/2030	400	400
IT0005523391	07/12/2022	07/12/2030	2.800	2.800
IT0005527772	29/12/2022	29/12/2030	2.200	2.200
IT0005527780	29/12/2022	29/12/2030	5.000	5.000
IT0005534190	01/03/2023	01/03/2031	800	800
IT0005554495	29/06/2023	29/06/2031	2.000	2.000
IT0005558751	10/08/2023	10/08/2031	800	800
IT0005560534	04/09/2023	04/09/2031	4.500	4.500
IT0005560591	04/09/2023	04/09/2031	2.000	2.000
IT0005561268	20/09/2023	20/09/2031	500	500
IT0005561854	26/09/2023	26/09/2031	8.000	8.000
Total			**84.700**	**56.537**

1.6 Financial liabilities measured at amortised cost: leasing liabilities

TIME BANDS	31/12/2024		31/12/2023	
	Payments to be made		Payments to be made	
	Leasing financial	Operating leases	Leasing financial	Leasing operational
Up to 1 year	0	45	0	113
Over 1 year up to 2 years	0	758	0	270
Over 2 years up to 3 years	0	575	0	1.020
Over 3 years up to 4 years	0	557	0	813
Over 4 years up to 5 years	0	0	0	4.193
Over 5 years	0	11.899	0	3.623
Total payments to be made for leasing	0	13.834	0	10.032
RECONCILIATION WITH DEBTS:				
Unaccrued financial gains (-) (Discounting effect)	0	129	0	72
Leasing debts	**0**	**13.963**	**0**	**10.104**

Notes
It should be noted that table '1.6 Lease Payables' shows an analysis of lease liabilities by time period as required by IFRS16 and Bank of Italy Circular 262.

Section 2 - Financial liabilities held for trading - Item 20

2.1 Financial liabilities held for trading: composition by type

Type of transaction/Values	Total 31/12/2024					Total 31/12/2023				
	Notional Value	Fair value			Fair Value (*)	Notional Value	Fair value			Fair Value (*)
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
A. Cash liabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
1. Due to banks	0	0	0	0	0	0	0	0	0	0
2. Due to customers	0	0	0	0	0	0	0	0	0	0
3. Debt Securities	0	0	0	0	0	0	0	0	0	0
3.1 Bonds	0	0	0	0	0	0	0	0	0	0
3.1.1 Structured	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
3.1.2 Other Obligations	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
3.2 Other Titles	0	0	0	0	0	0	0	0	0	0
3.2.1 Structured	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
3.2.2 Others	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Total A	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
B. Derivative Instruments	**0**	**0**	**0**	**420**	**0**	**0**	**0**	**0**	**442**	**0**
1. Financial derivatives	0	0	0	420	0	0	0	0	442	0
1.1 Trading	*0*	*0*	*0*	*420*	*0*	*0*	*0*	*0*	*442*	*0*
1.2 Related to fair value option	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
1.3 Others	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
2. Credit derivatives	0	0	0	0	0	0	0	0	0	0
2.1 Trading	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
2.2 Related to fair value option	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
2.3 Others	0	0	0	0	0	0	0	0	0	0
Total B	**0**	**0**	**0**	**420**	**0**	**0**	**0**	**0**	**442**	**0**
Total A+ B	**0**	**0**	**0**	**420**	**0**	**0**	**0**	**0**	**442**	**0**

Legend:

FV (*) - fair value calculated excluding changes in value due to changes in the issuer's creditworthiness since the issue date

Section 3 - Financial liabilities designated at fair value - Item 30

There are no financial liabilities designated at fair value.

Section 4 - Hedging derivatives - Item 40

4.1 Hedging derivatives: composition by hedge type and hierarchical levels

There are no hedging derivatives.

Section 8 - Other Liabilities - Item 80

8.1 Other liabilities: composition

Entries	Total 31/12/2024	Total 31/12/2023
01. Miscellaneous Fiscal Items	10.994	7.777
02. Travelling matches	6.885	14.026
03. Differences receivable on third-party portfolio offsets	50.285	10.996
04. Suppliers	5.074	5.512
05. Items in Process and Sundry Creditors	20.334	51.410
06. Accrued expenses and deferred income	6.265	3.610
07. Borrower account for loans taken out to be disbursed	680	0
08. Securities to be settled (Purchases)	7	24.485
09. Difference in amortised cost on equity instruments	0	0
10. Other Liabilities	384	376
Total	**100.907**	**118.192**

Section 9 - Staff Severance Pay - Item 90

9.1 Staff severance pay: annual changes

Entries	Total 31/12/2024	Total 31/12/2023
A. Initial Existence	**3.255**	**3.391**
B. Increases	**1.557**	**1.608**
B.1 Provision for the year	1.416	1.368
B.2 Other changes	141	239
C. Decreases	**1.470**	**1.744**
C.1 Settlements made	76	397
C.2 Other changes	1.393	1.347
D. Closing inventories	**3.342**	**3.255**
Total	**3.342**	**3.255**

Notes

Line B.1 "Provision for the year" includes the severance indemnity accrued during the year in the amount of 1,416 mgl.
Line B.2 "Other changes" includes "Service cost" for 45 mgl, "Interest cost" 76 mgl and Actuarial Gains/Losses for 20 mgl. Line C.1 "Settlements made" includes the "Benefit Paid" for IAS purposes of the Severance Indemnity Fund for 36 mgl.
Line C.2 "Other changes" includes the T.F.R. transferred to the Employees' Supplementary Pension Fund (external) or Inps Treasury for 1,369 mgl.

9.1 Other information

In accordance with IAS 19, the valuation of Staff Severance Provision was carried out by applying specific actuarial estimates provided for the treatment of defined benefit provisions. Further information on the criteria used to make these estimates is provided in the Notes to the Financial Statements of the companies comprising the Banking Group.

Section 10 - Provisions for liabilities and charges - Item 100

10.1 Provisions for liabilities and charges: composition

Items/Values	Total 31/12/2024	Total 31/12/2023
1. Provisions for credit risk related to financial commitments and guarantees given	2.394	2.103
2. Provisions on other commitments and other guarantees given	0	0
3. Corporate retirement funds	0	0
4. Other provisions for risks and charges	2.663	5.321
4.1 legal disputes	*2.417*	*5.122*
4.2 personnel charges	*0*	*0*
4.3 Others	*246*	*199*
Total	**5.058**	**7.424**

The provision for legal disputes also includes provisions for pending litigation made by Invest Banca and acquired with merger.
Contingent liabilities relating to litigation specific to the Group and for which an award is deemed "possible" amount to a total of 3,068 thousand.

10.2 Provisions for liabilities and charges: annual changes

Entries	Provisions on other commitments and other guarantees released	Retirement funds	Other funds	Total 31/12/2024
A. Initial Existence	**2.103**	**0**	**5.321**	**7.424**
B. Increases	**453**	**0**	**180**	**633**
B.1 Provision for the year	453	0	180	**633**
B.2 Changes due to the passage of time	0	0	0	**0**
B.3 Changes due to changes in the discount rate	0	0	0	**0**
B.4 Other Changes	0	0	0	**0**
C. Decreases	**162**	**0**	**2.837**	**2.999**
C.1 Use during the financial year	162	0	2.837	**2.999**
C.2 Changes due to changes in the discount rate	0	0	0	**0**
C.3 Other changes	0	0	0	**0**
D. Closing inventories	**2.394**	**0**	**2.663**	**5.058**

10.3 Provision for credit risk related to financial commitments and guarantees given

	Provisions for credit risk related to financial commitments and guarantees released			
	First stage	According to stadium	Third stage	Total 31/12/2024
1. Commitments to Disburse Funds	9	0	0	9
2. Financial Guarantees Issued	242	25	2.119	2.385
Total	**251**	**25**	**2.119**	**2.394**

10.4 Provisions for credit risk related to other commitments and other guarantees given

	Provisions for credit risk related to other commitments and other guarantees released			
	First stage	Second stage	Third stage	Total 31/12/2024
1. Other commitments	0	0	0	0
2. Other guarantees given	0	0	0	0
Total	**0**	**0**	**0**	**0**

Section 13 - Company assets - Items 120, 130, 140, 150, 160, 170, and 180

13.2 Capital - Number of shares of the Parent Company: annual changes

Items/Typologies	Ordinary	More
A. Shares existing at the beginning of the financial year	**254.539**	**0**
- entirely liberated	254.539	0
- not fully released	0	0
A.1 Treasury shares (-)	0	0
A.2 Outstanding shares: opening balances	**254.539**	**0**
B. Increases	**0**	**0**
B.1 New Issues	**0**	**0**
- for a fee:	0	0
- business combination operations	0	0
- conversion of bonds	0	0
- exercise of warrants	0	0
- other	0	0
- free of charge:	0	0
- in favour of employees	0	0
- in favour of administrators	0	0
- other	0	0
B.2 Sale of Treasury Shares	0	0
B.3 Other changes	0	0
C. Decreases	**0**	**0**
C.1 Cancellation	0	0
C.2 Purchase of own shares	0	0
C.3 Transfers of undertakings	0	0
C.4 Other Changes	0	0
D. Shares in circulation: closing balances	**254.539**	**0**
D.1 Treasury shares (+)	0	0
D.2 Existing shares at year-end	**254.539**	**0**

Items/Typologies	Ordinary	More
- entirely liberated	254.539	0
- not fully released	0	0

13.3 Capital: other information - annual changes

Entries	Amounts	Number of shares	Number of members
A. Initial Existence	**252.800**	**254.539**	**246**
B. Increases	**354**	**356**	**6**
B.1 Share Purchase - New Partners	36	36	6
B.2 From other changes	318	320	0
C. Decreases	**354**	**356**	**17**
C.1 Sales - Extinct Members	155	156	17
C.2 From other changes	199	200	0
D. Closing inventories	**252.800**	**254.539**	**235**

13.4 Retained earnings: other information

Entries	Total 31/12/2024	Total 31/12/2023
1. Capital	252.800	252.800
2. Issue surcharges	803	803
3. Reserves	-17.545	-35.814
3.1 Ordinary/extraordinary reserve	68.297	46.717
3.2 Statutory reserve	0	0
3.3 Reserves - First Time Adoption IAS/IFRS	-78.146	-78.146
3.4 Reserves - Way Out	3.425	3.425
3.5 Reserve on sales/redemptions of HTCS securities OCI option	-4.268	-4.268
3.6 Reserve for Coupon Payments on Equity Instruments	-5.740	-3.543
4. (Own shares)	0	0
5. Valuation Reserves	-1.064	-7.783
5.1 Financial assets held for trading	0	0
5.2 Financial assets measured at fair value with impact on comprehensive income	-2.547	-8.182
5.3 Financial assets measured at amortised cost	0	0
5.4 Tangible Assets	0	0
5.5 Intangible Assets	0	0
5.6 Hedging Foreign Investments	0	0
5.7 Cash Flow Hedging	0	0
5.8 Exchange Rate Differences	0	0
5.9 Non-current assets held for sale	0	0
5.10 Actuarial Gains (Losses) on Defined Benefit Plans	-771	-756
5.11 Share of valuation reserves of equity-accounted investees	2.253	1.155
5.12 Special Revaluation Laws	0	0
6. Capital instruments	40.000	40.000
7. Profit (Loss) the Year	14.958	23.166
Total	**289.952**	**273.173**

Notes
Item 3.3 Reserves - First Time adoption IAS/IFRS includes the FTA adjustment resulting from the application of IFRS9, which came into force on 01/01/2018. Details of the item are shown at the end of the table on Changes in Shareholders' Equity.

13.5 Equity instruments: composition and annual changes

ISIN	Date of issue	Date of reimbursement	Issuing value	Amount eligible in Own Funds
IT0005427023	23/11/2020	31/12/2099	1.500	1.500
IT0005429375	15/12/2020	15/12/2099	3.500	3.500
IT0005429755	21/12/2020	21/12/2099	1.000	1.000
IT0005431777	21/12/2020	21/12/2099	500	500
IT0005432130	28/12/2020	28/12/2099	3.500	3.500
IT0005439846	30/03/2021	30/03/2099	5.000	5.000
IT0005454076	11/08/2021	11/08/2099	5.000	5.000
IT0005475055	28/12/2021	28/12/2099	7.000	7.000
IT0005489601	30/03/2022	30/03/2099	3.000	3.000
IT0005566648	10/10/2023	10/10/2099	10.000	10.000
Total			**40.000**	**40.000**

Notes
The balance sheet item "130. Capital instruments" include Additional Tier1 capital instruments issued in previous years for a total of Euro 40,000 mgl .
These instruments have been classified as Additional Tier 1 capital, pursuant to Regulation No. 575 of 2013 (CRR). For further details on the accounting treatment of these instruments, please refer to "Part A - Accounting Policies".

of these explanatory notes.

Section 14 - Minority interests - Item 190

14.1 Details of item 190 "Minority interest"

Company name	Total 31/12/2024	Total 31/12/2023
Holdings in consolidated companies with significant minority interests	1.255	1.185
1. Immobiliare 1884 s.r.l.	0	0
2. Cambiano Leasing S.p.A.	1.255	1.185
Other participations	0	0
Total	**1.255**	**1.185**

Other information

1. Financial commitments and guarantees given (other than those designated at fair value)

	Nominal value on commitments and financial guarantees released				Total 31/12/2024	Total 31/12/2023
	First stage	Second stage	Third stage	Impaired acquired o originated		
1) Commitments to disburse funds	**803.313**	**47.194**	**14.747**		**865.254**	**879.788**
(a) Central Banks	0	0	0		0	0
b) Public administrations	1.830	0	0		1.830	974
(c) Banks	2.500	0	0		2.500	2.500
d) Other financial companies	83.073	0	0		83.073	77.753
e) Non-financial companies	638.941	43.636	14.317		696.894	719.312
f) Families	76.969	3.558	430		80.957	79.250
2) Financial Guarantees Issued	**73.423**	**0**	**0**		**73.423**	**83.153**
(a) Central Banks	0	0	0		0	0
b) Public administrations	3	0	0		3	3
(c) Banks	0	0	0		0	0
d) Other financial companies	5.783	0	0		5.783	7.130
e) Non-financial companies	57.774	0	0		57.774	63.727
f) Families	9.863	0	0		9.863	12.294
Total	**876.736**	**47.194**	**14.747**		**938.677**	**962.941**

2. Other commitments and other guarantees given

Wallets	Nominal value	
	Amount 31/12/2024	Amount 31/12/2023
1. Other guarantees given	**13.852**	**15.119**
of which: impaired	*0*	*0*
(a) Central Banks	0	0
b) Public administrations	0	0
(c) Banks	9.728	10.647
d) Other financial companies	0	0
e) Non-financial companies	4.124	4.472
f) Families	0	0
2. Other commitments	**0**	**0**
of which: impaired	*0*	*0*
(a) Central Banks	0	0
b) Public administrations	0	0
(c) Banks	0	0
d) Other financial companies	0	0
e) Non-financial companies	0	0
f) Families	0	0

3. Assets pledged to secure own liabilities and commitments

Wallets	Amount 31/12/2024	Amount 31/12/2023
1. Financial assets at fair value through profit or loss	0	0
2. Financial assets measured at fair value with impact on comprehensive income	97.045	154.775
3. Financial assets measured at amortised cost	320.199	641.203
4. Material activities	0	0
of which tangible assets constituting inventories	0	0

5. Management and brokerage on behalf of third parties

Type of services	Amount
1. Execution of orders on behalf of customers	**472.302**
(a) purchases	305.806
adjust	305.806

Type of services	Amount
unregulated	0
(b) sales	166.496
regulated	166.496
unregulated	0
2. Individual portfolio management	**124.727**
3. Safekeeping and Administration of Securities	**4.650.212**
a) third-party securities on deposit: related to custodian bank activities (excluding management of wallets)	0
1. securities issued by the reporting bank	0
2. other titles	0
(b) third-party securities on deposit (excluding portfolio management): other	1.716.550
1. securities issued by the reporting bank	368.427
2. other titles	1.348.123
(c) third-party securities deposited with third parties	1.690.356
(d) securities deposited with third parties	1.243.305
4. Other Operations	**0**

PART C - Information on the Consolidated Profit and Loss Account

Section 1 - Interest - Items 10 and 20

1.1. Interest and similar income: breakdown

Technical items/forms	Titles of debt	Financing	More operations	Total 31/12/2024	Total 31/12/2023	Variaz.	Change %
1. Financial assets measured at fair value value with impact on the profit and loss account:	**2.257**	**0**	**0**	**2.257**	**1.264**	**993**	78,58%
1.1 Assets held for negotiation	2.072	0	0	2.072	1.070	1.002	93,70%
1.2 Financial assets designated at fair value	0	0	0	0	0	0	-
1.3 Other Financial Assets compulsorily measured at fair value	185	0	0	185	194	-9	-4,86%
2. Financial assets measured at fair value with impact on profitability total	**1.580**	**0**	**X**	**1.580**	**3.581**	-2.001	-55,87%
3. Financial assets measured at cost amortised:	**6.244**	**164.600**	**X**	**170.844**	**158.824**	**12.020**	**7,57%**
3.1 Due from banks	0	15.996	X	15.996	9.890	6.106	61,74%
3.2 Loans and advances to customers	6.244	148.604	X	154.849	148.935	5.914	3,97%
4. Hedging derivatives	X	X	0	0	0	0	-
5. Other activities	X	X	5.553	5.553	3.649	1.904	52,19%
6. Financial Liabilities	X	X	X	0	0	0	-
Total	**10.081**	**164.600**	**5.553**	**180.234**	**167.318**	**12.917**	7,72%
of which: interest income on assets financially impaired	***0***	***7.268***	***0***	***7.268***	***7.585***	***-316***	***-4,17%***
of which: interest income on leasing financial	***0***	***20.172***	***0***	***20.172***	***19.645***	***526,88***	***2,68%***

Notes
Interest income on impaired financial assets includes both interest on non-performing loans, in the amount of euro 2,607 thousand, and interest on other impaired exposures, in the amount of euro 4,661 thousand. Interest on non-performing loans includes interest collected in the amount of euro 137 thousand and interest due to the passage of time charged to this item in application of IFRS 9, in the amount of euro 2,470 thousand.

1.2 Interest and similar income: other information

There are no positive or negative differentials from hedging transactions.

1.2.1 Interest income on financial assets in foreign currencies

Items/Values	Total 31/12/2024	Total 31/12/2023
Interest income on financial assets in foreign currencies	2.403	1.453

1.3 Interest expense and similar charges: composition

Technical items/forms	Debts	Titles	More operations	Total 31/12/2024	Total 31/12/2023	Variaz.	Change %
1. Financial liabilities measured at cost damped	-84.411	-6.782	0	-91.193	-74.606	-16.587	22,23%
1.1 Due to central banks	-11.860	X	X	-11.860	-24.595	12.734	-51,78%
1.2 Due to banks	-2.237	X	X	-2.237	-2.137	-101	4,71%
1.3 Due to customers	-70.313	X	X	-70.313	-40.894	-29.419	71,94%
1.4 Outstanding Securities	X	-6.782	X	-6.782	-6.981	199	-2,85%
2. Financial liabilities held for trading	0	0	0	0	0	0	#DIV/0!
3. Financial liabilities designated at fair value	0	0	0	0	0	0	#DIV/0!
4. Other Liabilities and Funds	X	X	-4.533	-4.533	-1.641	-2.892	176,23%
5. Hedging derivatives	X	X	0	0	0	**0**	#DIV/0!
6. Financial Assets	X	X	X	0	0	**0**	#DIV/0!
Total	**-84.411**	**-6.782**	**-4.533**	**-95.726**	**-76.247**	**-19.479**	**25,55%**
of which: interest expenses related to debts for leasing	**0**	**0**	**-435**	**-435**	**-226**	**-210**	**93,01%**

1.4 Interest and similar charges: other information

1.4.1. Interest Expense on Currency Liabilities

Items/Values	Total 31/12/2024	Total 31/12/2023
Interest Expense on Financial Liabilities in Foreign Currency	-1.065	-942

1.5 Interest expenses and similar charges: differentials on hedging transactions

Entries	Total 31/12/2024	Total 31/12/2023
A. Positive differentials relating to hedging transactions	0	0

Entries	Total 31/12/2024	Total 31/12/2023
B. Negative differentials relating to hedging transactions:	0	0
C. Balance (A-B)	**0**	**0**

Section 2 - Commissions - Items 40 and 50

2.1 Commission income: composition

Type of services/values	Total 31/12/2024	Total 31/12/2023	Variaz.	Change %
(a) Financial instruments	**3.656**	**4.808**	-1.152	-23,97%
1. Placement of Securities	**1.412**	**1.407**	5	0,36%
1.1 On a firm and/or irrevocable commitment basis	0	0	0	
1.2 Without irrevocable commitment	1.412	1.407	5	0,36%
2. Reception and transmission of orders and execution of orders on behalf of clients	**882**	**2.354**	-1.472	-62,53%
2.1 Receipt and transmission of orders for one or more financial instruments	325	270	55	20,41%
2.2 Execution of orders on behalf of customers	557	2.084	-1.527	-73,28%
3. Other commissions related to financial instrument activities	**1.362**	**1.047**	315	30,04%
of which: proprietary trading	38	40	-2	-4,38%
of which: individual portfolio management	1.324	1.007	316	31,40%
b) Corporate Finance	**0**	**0**	0	-
1. Advice on mergers and acquisitions	0	0	0	-
2. Treasury services	0	0	0	-
3. Other fees related to corporate finance services	0	0	0	-
c) Investment advisory activities	2	11	-9	-80,37%
d) Clearing and Settlement	0	0	0	-
(e) Safekeeping and administration of securities	**311**	**238**	73	30,57%
1. Custodian Bank	0	0	0	-
2. Other fees related to custody and administration activities	311	238	73	30,57%
f) Central administrative services for collective portfolio management	0	0	0	-
(g) Fiduciary activities	0	0	0	-
(h) Payment services	**21.866**	**20.962**	904	4,31%
1. Current accounts	16.308	16.287	21	0,13%
2. Credit Cards	1.081	487	593	121,81%
3. Debit cards and other payment cards	2.386	2.197	189	8,59%
4. Bank transfers and other payment orders	2.076	1.951	125	6,42%
5. Other fees related to payment services	16	40	-24	-60,99%
i) Distribution of third-party services	**4.545**	**4.684**	-139	-2,97%
1. Collective portfolio management	0	0	0	-
2 Insurance products	3.043	3.814	-771	-20,21%
3 Other products	1.502	870	631	72,58%
of which: individual portfolio management	0	0	0	-
j) Structured finance	0	0	0	-
(k) Servicing activities for securitisation transactions	265	220	45	20,28%
l) Commitments to disburse funds	0	0	0	-
m) Financial guarantees given	539	442	97	22,01%
of which: credit derivatives	0	0	0	-
n) Financing Operations	1.040	1.199	-159	-13,30%
of which: factoring transactions	0	0	0	-
(o) Currency trading	1.060	1.023	37	3,64%
p) Merci	0	0	0	-
q) Other commission income	2.860	2.916	-56	-1,91%
of which: for management activities of multilateral trading systems	0	0	0	-
of which: for OTF management activities	0	0	0	-
Total	**36.142**	**36.502**	**-360**	**-0,99%**

2.2 Commission liabilities: composition

Services/Values	Total 31/12/2024	Total 31/12/2023	Variaz.	Change %
(a) Financial instruments	-1.218	-916	-301,66	32,92%
of which: trading in financial instruments	-293	-240	-53,11	22,12%
of which: placement of financial instruments	-79	-41	-38,03	93,54%
of which: individual portfolio management	-846	-635	-210,52	33,13%
- own	-846	-635	-210,52	33,13%
- delegated by third parties	0	0	0,00	-
b) Clearing and Settlement	-381	-1.037	655,79	-63,24%
(c) Safekeeping and administration of securities	-231	-135	-95,85	71,07%
(d) collection and payment services	-1.927	-2.025	98,29	-4,85%
of which: credit cards, debit cards and other payment cards	-1.527	-1.627	99,22	-6,10%
e) Servicing activities for securitisation transactions	0	0	0,00	-

Services/Values	Total 31/12/2024	Total 31/12/2023	Variaz.	Change %
f) Commitments to receive funds	0	0	0,00	-
g) Financial guarantees received	-1.028	-1.212	184,28	-15,20%
of which: credit derivatives	0	0	0,00	-
h) Off-premises offer of financial instruments, products and services	-182	-237	54,37	-22,98%
(i) Currency trading	-330	-325	-4,68	1,44%
j) Other commission expenses	-662	-208	-453,74	217,70%
Total	**-5.958**	**-6.095**	**136,79**	**-2,24%**

Section 3 - Dividends and similar income - Item 70

3.1 Dividends and similar income: composition

Items/Income	Total 31/12/2024		Total 31/12/2023	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading	38	0	0	0
B. Other financial assets mandatorily measured at fair value value	35	0	28	0
C. Financial assets measured at fair value with impact on overall profitability	471	0	560	0
D. Holdings	0	0	0	0
Total	**544**	**0**	**589**	**0**

Section 4 - Net trading income - Item 80

4.1 Net trading : composition

Transactions/Income components	Capital gains (A)	Trading profits (B)	Capital losses (C)	Trading losses (D)	Net profit [(A+B) - (C+D)].
1. Financial assets held for trading	**2.900**	**11.449**	**2.168**	**2.974**	**9.207**
1.1 Debt Securities	2.341	4.692	1.730	2.814	2.489
1.2 Capital Securities	559	645	438	160	606
1.3 O.I.C.R. shares	0	0	0	0	0
1.4 Financing	0	0	0	0	0
1.5 Other	0	6.112	0	0	6.112
2. Financial liabilities held for trading	**0**	**0**	**0**	**0**	**0**
2.1 Debt Securities	0	0	0	0	0
2.2 Debts	0	0	0	0	0
2.3 Other	0	0	0	0	0
3. Financial Assets and Liabilities: Exchange Rate Differences	**0**	**0**	**0**	**0**	**0**
4. Derivative Instruments	**0**	**293**	**0**	**0**	**293**
4.1 Financial Derivatives	0	293	0	0	293
- On debt securities and interest rates	0	293	0	0	293
- On equities and equity indices	0	0	0	0	0
- On currencies and gold	0	0	0	0	0
- Others	0	0	0	0	0
4.2 Credit derivatives	0	0	0	0	0
of which: natural hedges related to fair value option	X	X	X	X	0,00
Total	**2.900**	**11.742**	**2.168**	**2.974**	**9.499**

Notes
The table shows the economic result attributable to the portfolio of financial assets held for trading.

Section 5 - Net result hedging activities - Item 90

5.1 Net income hedging activities: composition

Income Components/Values	Total 31/12/2024	Total 31/12/2023
A. Income related to:		
A.1 Fair Value Hedging Derivatives	0	0
A.2 Hedged financial assets (fair value)	0	0
A.3 Hedged financial liabilities (fair value)	0	0
A.4 Cash Flow Hedging Derivatives	0	0
A.5 Foreign Currency Assets and Liabilities	0	0
Total income from hedging activities (A)	**0**	**0**
B. Charges relating :		
B.1 Fair Value Hedging Derivatives	0	0
B.2 Hedged financial assets (fair value)	0	0
B.3 Hedged financial liabilities (fair value)	0	0
B.4 Cash Flow Hedging Derivatives	0	0

Income Components/Values	Total 31/12/2024	Total 31/12/2023
B.5 Foreign Currency Assets and Liabilities	0	0
Total expenses hedging activities (B)	**0**	**0**
C. Net income hedging activities (A-B)	**0**	**0**
of which: hedging result on net positions	0	0

Notes
The table shows the net result hedging activities.
This shows the gross income components recognised in the income statement arising from the valuation process between the hedged liabilities and the related hedging derivatives.

Section 6 - Gains (Losses) on disposal/repurchase - Item 100

6.1 Profit (loss) from disposal/repurchase: composition

Items/Income components	Total 31/12/2024			Total 31/12/2023		
	Useful	Losses	Result net	Useful	Losses	Result net
A. Financial Assets						
1. Financial assets measured at amortised cost	1.274	569	705	1.542	5.514	-3.972
1.1 Due from banks	0	0	0	0	0	0
1.2 Loans and advances to customers	1.274	569	705	1.542	5.514	-3.972
2. Financial assets measured at fair value with impact on overall profitability	0	0	965	0	0	666
2.1 Debt Securities	965	0	965	666	0	666
2.2 Financing	0	0	0	0	0	0
Total assets	**1.274**	**569**	**1.670**	**1.542**	**5.514**	**-3.307**
B. Financial liabilities measured at cost damped						
1. Due to banks	0	0	0	0	0	0
2. Due to customers	0	0	0	0	0	0
3. Securities in Issue	20	0	20	157	0	157
Total liabilities	**20**	**0**	**20**	**157**	**0**	**157**

Notes
The table shows the economic result from the sale of financial assets other than those held for trading.

Section 7 - Net result of financial assets and liabilities at fair value

7.1 Net Change in Value of Other Financial Assets and Liabilities at Fair Value through Profit or Loss: Breakdown of Other Designated Financial Assets and Liabilities at Fair Value

Transactions/Income components	Capital gains (A)	Useful from realisation (B)	Capital losses (C)	Losses from realisation (D)	Net result [(A+B) - (C+D)]
1. Financial Assets	0	0	0	0	0
1.1 Debt Securities	0	0	0	0	0
1.2 Financing	0	0	0	0	0
2. Financial liabilities	0	0	0	0	0
2.1 Outstanding Securities	0	0	0	0	0
2.2 Due to Banks	0	0	0	0	0
2.3 Due to customers	0	0	0	0	0
3. Financial assets and liabilities in foreign currencies: differences in change	X	X	X	X	0
Total	**0**	**0**	**0**	**0**	**0**

7.2 Net change in value of other financial assets and liabilities at fair value through profit or loss: breakdown of other financial assets and liabilities mandatorily measured at fair value

Transactions/Income components	Capital gains (A)	Useful from realisation (B)	Capital losses (C)	Losses from realisation (D)	Net result [(A+B) - (C+D)]
1. Financial Assets	**491**	**160**	**4.873**	**57**	**-4.278**
1.1 Debt Securities	112	25	23	0	114
1.2 Capital Securities	0	0	0	0	0
1.3 O.I.C.R. shares	316	136	4.650	57	-4.255
1.4 Financing	62	0	200	0	-137
2. Financial assets and liabilities in foreign currencies: differences in change	X	X	X	X	0
Total	**491**	**160**	**4.873**	**57**	**-4.278**

Section 8 - Net impairment adjustments/write-backs - Item 130

8.1 Net value adjustments for credit risk related to financial assets measured at amortised cost: composition

Transactions/Income components	Value adjustments (1)						Shooting Value (2)				Total 31/12/2024	Total 31/12/2023
	First stage	Second Stage	Third Stage		Impaired Acquired or originated		First stage	Second Stage	Third Stage	Impaired Acquired or originated		
			Write-off	More	Write-off	More						
A. Due from banks												
- Financing	-5	-624	-	0	0	0	5	0	0	0	-624	40
- Debt Securities	-	-	-	0	0	0	5	56	0	0	61	97
B. Loans and advances to customers			-	0	0	0	0	0	0	0	0	0
- Financing	-1.802	-3.780	- 73,31	-49.808	0	0	2.317	2.846	24.530	0	-25.771	-19.966
- Debt Securities	-98	0	-	0	0	0	95	0	0	0	-4	21
Total	**-1.G05**	**-4.404**	**- 73,31**	**-4G.808**	**0**	**0**	**2.421**	**2.G02**	**24.530**	**0**	**-26.338**	**-1G.808**

The table summarises the value adjustments and write-backs recorded for the impairment of loans to customers.

8.2 Net value adjustments for credit risk related to financial assets measured at fair value with impact on overall profitability: composition

Transactions/Income components	Value adjustments (1)							Value recovery (2)			Total 31/12/2024	Total 31/12/2023
	First stage	Second stage	Third stage		Impaired acquired or originate		First stage	Second Stage	Third stage	Impaired Acquired or originated		
			Write-off	More	Write-off	More						
A. Debt Securities	**0**	**0**	**0**	**0**	**0**	**0**	**95**	**132**	**0**	**0**	**227**	**225**
B. Financing												
- Towards customers	0	0	0	0	0	0	0	0	0	0	0	0
- Towards banks	0	0	0	0	0	0	0	0	0	0	0	0
of which: impaired loans acquired or originated	0	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**95**	**132**	**0**	**0**	**227**	**225**

Notes

The table summarises the value adjustments and write-backs recorded for the impairment of financial assets measured at fair value with an impact on comprehensive income.

Section 9 - Gains (Losses) from contractual changes without cancellation - Item 140

9.1 Gains (Losses) from Contractual Changes: Breakdown

Items/Income components	31/12/2024			31/12/2023		
	Useful	Losses	Net result	Useful	Losses	Result net
A. Financial Assets						
1.1 Loans and advances to customers	25	-419	-395	616	-479	137
Total	**25**	**-419**	**-395**	**616**	**-479**	**137**

Notes

The table shows the economic result arising from contractual modifications of financial instruments that do not entail their derecognition but only a different method of accounting (modification accounting) that implies the recognition in the income statement of the difference between the book value and the present value of the modified cash flows discounted at the original interest rate.

Section 12 - Administrative expenses - Item 190

12.1 Staff expenses: composition

Type of expenditure/Values	Total 31/12/2024	Total 31/12/2023
1) Employees	-34.882	-33.553
(a) wages and salaries	-24.024	-23.007
(b) social security contributions	-6.372	-6.259
(c) severance pay	0	0
(d) social security expenses	0	0
e) provision for staff severance indemnities	-1.537	-1.595
(f) provision for pensions and similar obligations:	0	0
- defined contribution	0	0

Type of expenditure/Values	Total 31/12/2024	Total 31/12/2023
- defined benefit	0	0
(g) payments to external supplementary pension funds	-1.043	-989
- defined contribution	-1.043	-989
- defined benefit	0	0
(h) costs arising from payment agreements based on own equity instruments	0	0
(i) other employee benefits	-1.905	-1.702
2) Other personnel in activity	-58	-17
3) Directors and Statutory Auditors	-1.130	-970
4) Retired staff	0	0
5) Expense recoveries for employees seconded to other companies	0	0
6) Reimbursement of expenses for third-party employees seconded to the company	0	0
Total	**-36.071**	**-34.539**

12.2 Average number of employees per category

Description	Values 31/12/2024	Values 31/12/2023
Employees	**423**	**426**
a) Managers	5	5
b) Middle Managers	117	113
c) Other employees	301	308
Other personnel	**2**	**2**
Total	**425**	**428**

Punctual number of employees per category

Description	Values 31/12/2024	Values 31/12/2023
Employees	**437**	**432**
a) Managers	5	5
b) Middle Managers	119	113
c) Other employees	313	314
Other personnel	**6**	**5**
Total	**443**	**437**

12.4 Staff Expenses: Other Employee Benefits

Type of expenditure/Values	Total 31/12/2024	Total 31/12/2023
1) Meal vouchers for employees	-589	-489
2) Loyalty Award	0	0
3) Other expenses in favour of employees	-1.317	-1.213
Total	**-1.905**	**-1.702**

12.5 Other administrative expenses: composition

Items/Values	Total 31/12/2024	Total 31/12/2023	Variaz.	Change %
1. Insurance and supervision	-734	-870	136	-15,63%
2. Advertising and representation	-1.883	-1.582	-301	19,03%
3. Property Rents	-286	-371	86	-23,04%
4. Maintenance, repair, conversion of furniture and buildings	-1.502	-1.498	-4	0,30%
5. Electricity, heating and room cleaning	-1.429	-1.791	362	-20,19%
6. Telex, telephone and postal services	-1.036	-1.142	106	-9,30%
7. Data Processing Costs	-5.586	-5.688	102	-1,79%
8. Printed matter and stationery	-283	-298	15	-5,08%
9. Fees to external professionals	-5.259	-5.297	38	-0,73%
10. Debt Collection Expenses	0	0	0	0,00%
11. Technical support and software product maintenance	-10.051	-9.929	-122	1,23%
12. Information and Visas	-1.537	-1.745	208	-11,92%
13. Charity charged to the profit and loss account	-8	-8	0	0,00%
14. Costs for Treasury Activities	-2	-2	0	0,00%
15. Travel and Transport Expenses	-596	-619	23	-3,71%
16. Indirect Taxes and Duties	-7.494	-6.553	-941	14,37%
17. Systemic Burdens	-3.971	-5.950	1.979	-33,26%
- Contribution to the Resolution Fund - Ordinary	0	-1.944	1.944	-100,00%
- Contribution to the Resolution Fund - Additional charge	0	0	0	0,00%
- Contribution to the Interbank Deposit Protection Fund	-3.971	-4.006	35	-0,88%
18. Other miscellaneous costs	-1.786	-1.933	147	-7,62%
Total	**-43.444**	**-45.277**	**1.833**	**-4,05%**

Notes

This item recorded a decrease of €1,833,000 (-4.05%) in the current year, mainly due fact that the ordinary contribution to the Ordinary Resolution Fund was no longer paid, following the reaching of the ceiling provided for by the SRB.

The increase in stamp duty expenses during the period (+ 932 thousand), largely offset by the increase in recoveries from customers allocated other operating income, was offset by the decrease in electricity expenses and information and inspection expenses.

Section 13 - Net Allocations to Provisions for Risks and Charges - Item 200

13.1 Net provisions for credit risk related to commitments to disburse funds and financial guarantees issued: composition

Transactions/Income components	Value adjustments (1)			Value recovery (2)		Total 31/12/2024	Total 31/12/2023
	First and second stadium	Third stage		First and second stadium	Third stage		
		Write-off	More				
A. Commitments to Disburse Funds	-7	0	0	2	0	-5	9
B. Financial guarantees given	-68	0	-380	104	57	-286	-122
Total	**-74**	**0**	**-380**	**106**	**57**	**-291**	**-113**

13.2 Net provisions for other commitments and other guarantees given: breakdown

Transactions/Income components	Value adjustments (1)			Value recovery (2)		Total 31/12/2024	Total 31/12/2023
	First and second stadium	Third stage		First and second stadium	Third stage		
		Write-off	More				
A. Commitments	0	0	0	0	0	0	0,00
B. Guarantees given	0	0	0	0	0	0	0,00
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0,00**

13.3 Net provisions for liabilities and charges: breakdown

Items/Values	Total 31/12/2024	Total 31/12/2023
1. Provisions for outstanding disputes	-155	-692
2. Provisions for interest expenses on IRES tax year 2009	0	0
3. Provisions other	-25	-35
4. Reversals of provisions on outstanding disputes	1.981	1.869
Total	**1.801**	**1.142**

Section 14 - Net Value Adjustments/Write-backs on Tangible Assets - Item 210

14.1 Net Value Adjustments on Tangible Assets: Composition

Activity/Income component	Depreciation (a)	Impairment adjustments (b)	Write-backs (c)	Net result (a+b-c)
A. Material activities	-5.209	0	0	**-5.209**
1. For functional use	-5.209	0	0	**-5.209**
- Ownership	-3.358	0	0	**-3.358**
- Rights use acquired through leasing	-1.851	0	0	**-1.851**
2. Held for investment purposes	0	0	0	**0**
- Ownership	0	0	0	**0**
- Rights use acquired through leasing	0	0	0	**0**
3. Inventories	X	0	0	**0**
Total	**-5.209**	**0**	**0**	**-5.209**

Section 15 - Net Value Adjustments/Write-backs on Intangible Assets - Item 220

15.1 Net Value Adjustments on Intangible Assets: Composition

Activity/Income component	Depreciation (a)	Impairment adjustments (b)	Write-backs (c)	Net result (a+b-c)
A. Intangible Assets	-2.548	0	0	**-2.548**
of which: software	-2.083			**-2.083**
A.1 Owned	-2.548	0	0	**-2.548**
- Generated internally by the company	0	0	0	**0**
- Other	-2.548	0	0	**-2.548**
A.2 Rights of Use Acquired under Leases	0	0	0	**0**
Total	**-2.548**	**0**	**0**	**-2.548**

Section 16 - Other operating income and expenses - Item 230

16.1 Other operating expenses: breakdown

Items/Values	Total 31/12/2024	Total 31/12/2023
1. Contingent and non-existent liabilities	-1.255	-2.180
2. Interventions in favour of Guarantee Funds	0	0

Items/Values	Total 31/12/2024	Total 31/12/2023
3. Depreciation on third party assets	-229	-215
4. Expenses for passive cases	-7	0
Total	**-1.491**	**-2.395**

16.2 Other operating income: composition

Items/Values	Total 31/12/2024	Total 31/12/2023
1. Expense recoveries	8.095	8.205
2. Contingent and non-existent assets	52	118
3. Other income	1.349	2.696
Total	**9.496**	**11.020**

Section 17 - Gains/Losses on participations - Item 250

17.1 Profit (loss) from equity investments: breakdown

Entries	Total 31/12/2024	Total 31/12/2023
A. Initial Existence	**15.933**	**16.479**
B. Increases	**442**	**144**
B.1 Purchases	0	0
B.2 Write-backs	0	0
B.3 Revaluations	442	144
B.4 Other Changes	0	0
C. Decreases	**0**	**690**
C.1 Sales	0	294
C.2 Value Adjustments	0	0
C.3 Write-downs	0	395
C.4 Other Changes	0	0
D. Closing inventories	**16.375**	**15.933**
E. Total revaluations	**15.244**	**14.802**
F. Total Adjustments	**0**	**0**

Notes:
Items A.1 "Revaluations" and B.1 "Write-downs" include the change in equity of the investees - in relation to the share held by the Bank - as a result of both the capitalisation the 2023 results approved by the respective Shareholders' Meetings and the results recorded in the first nine months of 2024 approved by the companies' Boards of Directors.
In particular, the total amount is due to the following components:
- Revaluation of the investment held in the company Cabel Industry s.p.a. for 194 mgl. for profits earned by the investee;
- Revaluation of the investment held in the company C.h.s.p.a. for 248 mgl. for profits earned by the investee;

Section 18 - Net result of fair-value measurement of tangible and intangible assets - Item 260

18.1 Net result of valuation at fair value (or revalued amount) or estimated realisable value of tangible and intangible assets: composition

Activity / Income Component	Revaluations (a)	Write-downs (b)	Exchange rate differences		Net result (a-b+c-d)
			Positive (c)	Negative (d)	
A. Material activities	0	0	0	0	**0**
A.1 For functional use	0	0	0	0	**0**
- Ownership	0	0	0	0	**0**
- Rights use acquired through leasing	0	0	0	0	**0**
A.2 Held for investment purposes	0	0	0	0	**0**
- Ownership	0	0	0	0	**0**
- Rights use acquired through leasing	0	0	0	0	**0**
A.3 Inventories	0	0	0	0	**0**
B. Intangible Assets	0	0	0	0	**0**
B.1 Owned	0	0	0	0	**0**
B.1.1- Generated internally by the company	0	0	0	0	**0**
B.1.2- Others	0	0	0	0	**0**
Total	**0**	**0**	**0**	**0**	**0**

Section 20 - Gains (Losses) on disposal of investments - Item 280

20.1 Gains (losses) on disposal of investments: breakdown

Income Component/ Values	Total 31/12/2024	Total 31/12/2023
A. Properties	-236	48
- Gains on disposal	0	48
- Losses on disposal	-236	0
B. Other activities	2	40
- Gains on disposal	11	47
- Losses on disposal	-9	-7

Income Component/ Values	Total 31/12/2024	Total 31/12/2023
Net result	**-234**	**89**

Section 21 - Income Taxes Current Operations - Item 300

21.1 Income tax for year on current operations: breakdown

Income Components/Values	Total 31/12/2024	Total 31/12/2023
1. Current taxes (-)	-986	-2.555
2. Change in current taxes from previous years (+/-)	0	-3
3. Reduction in current taxes for the year (+)	0	0
3a. Reduction of current taxes for the year for tax credits under L. no. 214/2011 (+)	0	0
4. Change in deferred tax assets (+/-)	-2.095	-4.707
5. Change in deferred taxes (+/-)	14	122
6. Taxes for the year (-) (-1+/-2+3+3a+/-4+/-5)	**-3.067**	**-7.143**

Notes:

Current taxes have been recognised in accordance with current tax legislation.

Summary of income taxes for the year, by type of tax

Income Components/Values	Total 31/12/2024	Total 31/12/2023
- Ires	-2.138	-5.631
- IRAP	-929	-1.536
- Other Taxes	0	24
Total	**-3.067**	**-7.143**

21.2 Reconciliation of Theoretical Tax Burden and Actual Tax Burden in the Financial Statements

Items/Values	Ires	Rate	Irap	Rate
(A) Profit (Loss) from current operations before tax	18.095		18.095	
(B) Income tax - Theoretical charge	4.976	27,50%	1.008	5,57%
Decreases in the tax base	24.612	27,50%	25.910	5,57%
Increases in the tax base	8.577	27,50%	15.346	5,57%
Taxable	2.061		7.531	
Income Taxes - Effective Tax Burden	-567	27,50%	-419	5,57%
Prepaid/deferred taxation other	-1.572	27,50%	-510	5,57%
Total taxes	**-2.138**		**-929**	
Total tax	**-3.067**			
Effective rate	**-16,95%**			

Section 23 - Minority interest in profit (loss) for the year - Item 340

23.1 Detail of item 330 "Minority interest in profit (loss) the year".

Company names	Total 31/12/2024	Total 31/12/2023
Consolidated Participations with Significant Minority Interests	**70**	**75**
1. Immobiliare 1884 s.r.l.	0	0
2. Cambiano Leasing S.p.A.	70	75
Other participations	**0**	**0**
Total	**70**	**75**

PART D - Consolidated Comprehensive Income

Analytical Statement of Overall Profitability

	Entries	31/12/2024	31/12/2023
10	**Profit (loss) the year**	**15.028**	**23.241**
	Other Income Components without Recognition in the Profit and Loss Account		
20	Equity securities designated at fair value with impact on comprehensive income:	47	-137
	(a) changes in fair value	47	-137
	(b) transfer to other components of equity	0	0
30	Financial liabilities designated at fair value through profit or loss (changes in own merit credit)	0	0
	(a) changes in fair value	0	0
	(b) transfer to other components of equity	0	0
40	Hedges of equity securities designated at fair value with impact on comprehensive income	0	0
	(a) changes in fair value (hedged instrument)	0	0
	(b) changes in fair value (hedging instrument)	0	0
50	Material activities	0	0
60	Intangible Assets	0	0
70	Defined benefit plans	-20	-95
80	Non-current assets and groups of assets held for sale	0	0
90	Share of valuation reserves of equity-accounted investments	0	0
100	Income taxes on other income components without reversal to the profit and loss account	-10	72
	Other income components with reversal to the profit and loss account		
110	Coverage of foreign investments:	0	0
	(a) changes in fair value	0	0
	b) reversal to profit and loss account	0	0
	(c) other changes	0	0
120	Exchange rate differences:	0	0
	(a) changes in value	0	0
	b) reversal to profit and loss account	0	0
	(c) other changes	0	0
130	Cash flow hedging:	0	0
	(a) changes in fair value	0	0
	b) reversal to profit and loss account	0	0
	(c) other changes	0	0
	of which: result of net positions	0	0
140	Hedging instruments (non-designated items)	0	0
	(a) changes in fair value	0	0
	(b) reversal to profit and loss account:	0	0
	(c) other changes	0	0
150	Financial assets (other than equity securities) measured at fair value with impact on profitability overall:	8.484	19.049
	(a) changes in fair value	7.692	17.952
	(b) reversal to profit and loss account:	1.019	1.322
	- impairment adjustments	0	0
	- realised gains/losses	0	1.322
	(c) other changes	-227	-225
160	Non-current assets and disposal groups held for sale:	0	0
	(a) changes in fair value	0	0
	b) reversal to profit and loss account	0	0
	(c) other changes	0	0
170	Share of valuation reserves of equity-accounted investments	0	222
	(a) changes in fair value	0	0
	(b) reversal to profit and loss account:	0	0
	- impairment adjustments	0	0
	- realised gains/losses	0	0
	(c) other changes	0	222
180	Income taxes on other income components with reversal to profit and loss account	-2.881	-6.377
190	**Total other income components**	**5.620**	**12.733**
200	**Overall profitability (Item 10+ 190)**	**20.648**	**35.974**
			0
210	**Consolidated comprehensive income attributable to minority interests**	**70**	**75**
220	**Consolidated comprehensive income attributable to the parent company**	**20.578**	**35.899**

Notes

The IAS/IFRS allow financial instruments to be allocated to different business models to which accounting policies are applied, which result in negative or positive income components being allocated directly to special equity reserves without going through the income statement.

The statement thus allows the overall result to be appreciated by taking into account the income elements accrued and realised during the year that have been recognised directly in equity, and neutralising the components that have already accrued and therefore recognised in equity in previous years, but which are subject to a second and final recognition in the income statement (so-called 'reversal') at the time actual realisation.

PART E - Information on risks and related hedging policies

Foreword

The Group conducts its activities in accordance with sound and prudent management criteria and with a low risk appetite, is related to the need for stability in the banking and financial business.
The overall risk appetite is measured in summary form through identification, within the Group's capital resources ('own funds'), of a capital component that is not allocated to risk-taking (unexpected losses), but is oriented towards supporting development in the medium to long term and the capital coverage of impacts upon the occurrence of unexpected stresses.
The Group's System of Internal Controls ensures the implementation of corporate strategies and policies and consists of the set of rules, procedures and organisational structures aimed at ensuring compliance with the canons of sound and prudent management.
The Corporate Bodies are primarily responsible for ensuring, according to their specific competences, the completeness, adequacy, functionality and reliability of the Internal Control System.
The Group has adopted a traditional governance model that includes the Board of Directors, the Board of Statutory Auditors and the General Management.
The Board of Directors is responsible for the strategic supervision and management of the Bank, in which the Executive Board also participates, while the Control Function is assigned to the Board of Auditors.
The Board of Directors defines the business model through the approval of the strategic business plan and annual budgets, with an awareness of the risks to which this model exposes the Bank and an understanding of the ways in which risks are recognised and assessed. Within the framework of the guidelines established at Group level, the Board of Directors defines and approves the strategic guidelines and provides for their periodic review, establishes the risk propensity and the relative tolerance thresholds, as well as the risk governance policies, ensuring that the Bank's structure is consistent with the activity performed and the business model adopted.
At least once a year, the Board of Directors approves the Group's 'Risk Appetite Framework (RAF)' and 'Corporate Risk Management Policies', which define risk propensity, tolerance thresholds, limits, and risk monitoring rules and methodologies. Within the framework of these documents, specific risk indicators with the relative attention thresholds are provided for at the level of the individual legal entity, identifying the functions responsible for the specific control mechanisms and providing for dedicated information flows. The Group's risk management system also includes the internal capital adequacy process (ICAAP) and the liquidity risk governance and management system (ILAAP).
The Board of Directors is supported by the Risk Committee, an endo-consultative body that advises and makes proposals on risks and the internal control system.
The General Management has a full understanding of corporate risks, and is responsible for implementing the strategic guidelines and risk governance policies defined by the Board of Directors. In particular, it proposes operational limits to the assumption of the various types of risk, taking into account the stress tests conducted by the functions in charge, in accordance with the Bank's internal policies.
The Board, with a view to facilitating the development and dissemination of a risk control culture at all levels,
plans, on the basis of the proposals made, training programmes for the Bank's staff.
The Board of Statutory Auditors carries out periodic checks to ascertain the completeness, adequacy, functionality and reliability of the Internal Control System.
In performing its duties, the Board of Statutory Auditors has adequate information flows from the other corporate bodies and control functions. The assiduous attendance of the Board of Statutory Auditors at Board meetings, which are held on a bi-weekly basis, is a guarantee that the Control Body is kept promptly informed management events.
The sound and prudent management of banks is ensured by an adequate corporate organisationincluding a comprehensive and functional system internal controls.
In particular, the Group's Internal Control System is articulated on three different levels:

- First-level (line) controls: aimed at ensuring the proper conduct of operations. They are carried out by operational structures or incorporated into procedures and information systems, or performed part of back office activities.
- Second-level risk and compliance controls aimed at ensuring, alia:
  - the proper implementation of the risk management process;
  - compliance with the operational limits assigned to the various functions;
  - compliance company operations with standards, including self-regulatory ones.

  Second-level controls are delegated by the organisational order to the Risk Management Service, the Compliance Service and the Anti-Money Laundering Service.

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

- Third level controls (Internal Auditing): aimed at detecting violations of procedures and regulations, as well as periodically assessing the completeness, adequacy, functionality and reliability of the Internal Control System and the Information System.

The corporate control functions dealing with second- and third-level controls have the authority, resources and expertise to perform their tasks.

The corporate organisational chart provides, in accordance with the Supervisory Provisions, for hierarchical and functional reporting of the corporate control functions to the Board of Directors.
The control functions have access to all the activities carried out by the Bank, both at central offices and at peripheral structures, as well as to any information relevant to the performance of their tasks.
Pursuant to Law 231/01, there is a special Supervisory Board of a collegial nature that has task of assessing the proper functioning of the organisational controls adopted by the Bank in order to avoid involvement in acts punishable under Law 231 of 2001.
Periodically reports, as established by the Organisational Model, to the Institute's Board of Directors.
The risks to which the Institute is or could be exposed are:

- Credit and Counterparty
- Market
- Operational
- CVA Credit Rating Adjustment Risk
- Concentration I Pillar
- Concentration
- Geo-sectoral concentration
- Interest rate (economic value)
- Interest rate (interest margin)
- Liquidity
- Excessive financial leverage
- Residue
- Country
- Transfer
- Base
- Securitisation (arising from)
- Strategic
- Sovereign
- Reputational
- Property valuation
- Exposures to shadow banking
- Conduct
- AML
- EN
- Physical Climatic Risks
- Transition Climate Risks
- Other Risks Social C Governance

The focus on climate and environmental risk management is of strategic importance. Consistently with the Bank Italy's 'Supervisory Expectations', the Group has adopted an action plan that identifies the specific actions to be taken to implement the principles of sustainable finance. A project path aimed at the gradual integration of climate and environmental risks into the governance and control systems, the business model and corporate strategy, the organisational system and operating processes, in compliance with the supervisory expectations on climate and environmental risks, was launched some time ago. In order for Board of Directors, first and foremost, and the organisational structure to effectively meet expectations, a training programme was launched, involving the members of the Board of Directors and the Board of Auditors, the General Management and the heads of the main corporate functions.
The ESG Project is coordinated by a cross-functional Working Group, in which the Heads of the Compliance Functions participate, Risk Management, Finance Management, Credit Management and the Organisation Function.
In addition, the 'Sustainability Committee' was set up, i.e. a management committee composed of the company's top , with the task of coordinating climate and environmental issues and supporting the Board of Directors assessing and deepening sustainability strategies related to the Bank's operations. The ESG Initiatives Plan, approved by the Board of Directors in December 2022, and aimed at fostering progressive alignment with expectations in the areas of credit risk and investment services, is monitored quarterly by the Sustainability Committee for its implementation status.

The Group, which belongs to a banking group classified, according to Bank Italy Circular 285/2013, among the Class 2 intermediaries, when measuring capital requirements for quantitative risks, adopt:
• for credit/counterparty risks and for market risks the Standardised Approach (TSA),
• for operational risks the basic method (BIA),
• for concentration risk and interest rate risk the simplified methodologies proposed respectively in Appendix B and C/C bis of Bank of Italy Circular 285/2013 and subsequent updates.
The Cambiano Banking Group, in compliance with the provisions on Pillar III, prepares the Public Disclosure, relating to the 2024 Consolidated Financial Statements, published on the Parent Company's website at the following address: https://www.bancacambiano.it/banca/informativa-al-pubblico/

Section 1 - Consolidated Accounting Risks

Quantitative information

The Group's impaired loans to customers measured at amortised cost amounted to a gross value of € 232.8 million, to which specific value adjustments of € 94.3 million were associated, resulting in a net value of € 138.5 million.

The coverage ratio of impaired loans to customers measured at amortised cost at 31 December 2024 was 40.5%. In particular, the aforementioned impaired loans, classified in accordance with the provisions of international accounting standard IFRS 9 "Financial Instruments" in the so-called "third stage", include non-performing loans for a net value of € 41.3 million, with a coverage ratio of 55.77%, and probable defaults for a net value of € 79.9 million, with a coverage ratio of 33.15%.

The Group's non-impaired loans to customers valued at amortised cost. amounted to a gross value of€ 2,741.8 million, to which portfolio adjustments of € 17.4 million were associated, and a resulting net value of € 2,724.4 million, showing a coverage ratio of 0.63%. Among them, loans and advances to customers for non-impaired loans at higher risk are essentially classified in the so-called 'second stage' at€ 295 million gross with a coverage ratio of 3.06%.

A. Quality of credit

A.1 Impaired and unimpaired credit exposures: outstanding amounts, impairments, dynamics and distribution economic

A.1.1 Distribution of financial assets by portfolio and credit quality (book values)

Portfolios/quality	Non-performing loans	Probable defaults	Impaired past due exposures	Non-impaired past due exposures	Other non impaired	Total 31/12/2024
1. Financial assets measured at amortised cost	41.321	79.895	17.255	44.794	3.447.533	3.630.798
2. Financial assets measured at fair value with impact on overall profitability	0	0	0	0	158.765	158.765
3. Financial assets designated at fair value	0	0	0	0	0	0
4. Mandatory financial assets measured at fair value value	0	0	0	0	101.779	101.779
5. Financial assets in course of divestment	0	0	0	0	0	0
Total 31/12/2024	**41.321**	**7G.8G5**	**17.255**	**44.7G4**	**3.708.077**	**3.8G1.342**
Total 31/12/2023	**54.36G**	**G2.4G6**	**1G.308**	**70.288**	**3.844.G63**	**4.081.424**

Notes

The table shows the classification by credit quality of the entire portfolio of financial assets, with exclusion of equity securities and O.I.C.R. units amounting to 50,825 mgl. The values shown are those of the balance sheet, therefore net of the relative write-downs.

A.1.2 Distribution of financial assets by portfolio and credit quality (values gross and net)

Portfolios/quality	Deteriorate				Not deteriorated			Total (net exposure)
	Gross exposure	Total value adjustments e	Net exposure	Overall partial write-offs i	Gross exposure	Total value adjustments e	Net exposure	
1. Financial assets measured at cost damped	232.801	94.330	138.471	1.200	3.509.960	17.634	3.492.326	**3.630.7G8**
2. Financial assets measured at fair value with impact on profitability total	0	0	0	0	158.805	40	158.765	**158.765**
3. Financial assets designated at fair value value	0	0	0	0	0	0	0	**0**
4. Activities financial	0	0	0	0	0	0	101.779	**101.77G**

Portfolios/quality	Deteriorate				Not deteriorated			Total (net exposure)
	Gross exposure	Total value adjustments e	Net exposure	Overall partial write-offs i	Gross exposure	Total value adjustments e	Net exposure	
compulsorily valued at fair value								
5. Financial assets in course of divestment	0	0	0	0	0	0	0	**0**
Total 31/12/2024	**232.801**	**G4.330**	**138.471**		**3.668.765**	**17.673**	**3.752.871**	**3.8G1.342**
Total 31/12/2023	**262.G44**	**G6.771**	**166.173**		**3.858.467**	**18.1G0**	**3.G15.251**	**4.081.424**

Notes
The table shows the classification by credit quality of the entire portfolio of financial assets, with exclusion of equity securities and O.I.C.R. units amounting to 50,825 mgl.

A.1.2a Breakdown of credit exposures by low-quality assets

Quality wallets	Clearly poor quality activities credit		Other Activities
	Capital losses cumulate	Net exposure	Net exposure
1. Financial Assets Held for Trading	0	0	86.465
2. Hedging derivatives	0	0	0
Total	**0**	**0**	**86.465**

Section 2 - Prudential Consolidation Risks

Information of a qualitative nature

1. General Aspects

The Group's strategies, Risk Appetite Framework, Faculties and Rules for Granting and Managing Credit are addressed:
– the achievement of a sustainable credit growth target consistent with risk appetite and value creation;
– portfolio diversification, limiting the concentration of exposures on single counterparties/groups, on single sectors of economic activity;
– an efficient selection of economic groups and individual borrowers, through a careful analysis of creditworthiness aimed at limiting the risk of insolvency;
– to give priority to credit interventions aimed at supporting real economy and the production system;
– the constant monitoring of relationships, carried out both by means of computerised procedures and by systematically monitoring positions, in order to promptly detect any symptoms of imbalance and promote corrective action to prevent the possible deterioration of the relationship.
The constant monitoring of the quality of the credit portfolio is pursued through the adoption of precise procedures operational in all management phases of the fostering relationship.

2. Credit risk management policies

2.1 Organisational aspects

Factors that generate credit risk arise from the possibility that an expected change in the creditworthiness of a counterparty, to which an exposure exists, generates a corresponding unexpected change in the current value of the related credit exposure.
Credit risk is thus not confined to the insolvency of a counterparty, but also includes the simple deterioration of its creditworthiness.
The assumption and management of credit risk is regulated by formalising the underlying process, detailing the role of the corporate bodies, the operations of all parties involved, defining the first-level controls and making explicit the role of the control functions.
The Problem Loans Area, allocated under the Business Department, is composed of the "Litigation Management Function", the "Anomalous Performing Loans Management Function" and the "PD and UTP Loans Management Function". The Anomalous Loans Area manages, at a corporate level and according to the methods gradually established by internal regulations, individual anomalies and positions presenting anomalous situations, regardless of their classification as performing or non-performing, with the exception of non-performing loans, which are managed by the Litigation Management Function. It supports the Network in the performance of peripheral monitoring activities on individual anomalies and problem positions, as well as in the definition and implementation of corrective actions aimed at ensuring the smooth running of the credit process. This activity is

aimed at favouring an anticipatory management of credit risk and the implementation of management strategies aimed at improving the Bank's credit quality.
The Anomalous Performing Loans Function, which manages 'stage 2' positions.
The PD and UTP Credit Management Function manages positions already classified as impaired loans, and particular manages impaired positions excluding Non-performing loans, ensures that the management of positions falling within its competence is carried out by adopting out-of-court measures suitable to safeguard the Bank's credit reasons in an effective manner, and promotes any useful action to regularise the positions falling within its competence and to minimise expected losses.
The Litigation Management Function deals with the management of positions classified as non-performing, and in particular handles credit recovery activities both through extrajudicial activities, also conducted directly, and by following the activities carried out by external lawyers for the cases assigned to them, provides periodic references on the aggregate of non-performing positions and recovery forecasts, for non-performing loans, checks the appropriateness of lawyers' fees and activates every possible intervention (e.g. preparation of agreements, agreements on results, etc.) to minimise the costs of external professionals (lawyers, technicians, etc.), and handles activities connected with mediation procedures in the context of credit recovery. preparation of conventions, agreements on results, etc.) to minimise charges for external professionals (lawyers, technicians, etc.), takes care of activities connected with mediation procedures in the field of debt recovery.
The management of impaired loans is carried out on the basis of the Service Regulations as well as on the basis of the specific Impaired Loan Assessment Policy.
The Credit Control Function on the staff of the Business Department oversees the credit risk monitoring process at the corporate level, in order to detect, also on a provisional basis, possible critical developments; this activity is carried out a view to first-tier second-tier controls and with the intention of providing credit managers and the PD and UTP Credit Management Function with the necessary information for the necessary measures, as well as to Risk Management for the performance of second-tier checks on credit risks.
Within the framework of the risk management and assumption methods adopted, the first control is placed in the branch, both through constant and continuous dialogue with customers and by making use of internal and external information sources, also with the help of IT procedures.
During the preliminary investigation and credit review stages, the Bank analyses the customer's financial needs and the documentation required to make an adequate assessment of the borrower's creditworthiness. The decision to grant credit is therefore based both on the analysis of the complete set of information on the borrower and on direct knowledge of the customer and the economic context in which he operates. All preliminary activities inherent to the operating process, leading to the disbursement and periodic re-examination of the position, are developed with the aim of granting an adequate credit at the level of the individual borrower (and/or group), envisaging the most suitable technical forms of credit and a proper remuneration for the risk assumed.
The Board of Directors has defined, within the 'Credit Risk Regulations', the decision-making autonomy of each body delegated to grant credit. Compliance with the proxies authorised by the Board of Directors is guaranteed by the automatic controls provided for in the "Easy Loans" IT procedure with which the credit approval process is managed.
The Credit Process will be further revised in the financial year 2025, following the conclusion of the assessment, currently underway, on the process steps related to the monitoring and management of performing loans with early signs of anomalies.

2.2 Management, measurement and control systems
The credit risk management, measurement and control systems are developed in an organisational context that involves the entire credit process cycle, from the initial enquiry phase to the periodic review, up to the revocation and recovery phase.
The Group conducts quantitative and qualitative analyses for the purpose of measuring and periodically monitoring Credit Risk. In particular, quantitative assessments make use of various instruments that provide information on the economic, financial and asset aspects of the customer.
The Loans Area, which is under the Business Department, supervises and coordinates the operational phases of the performing credit process, carries out the preliminary investigation and decision-making phases within the scope of its delegated powers and performs the first-level controls for which it is responsible. The "Problem Loans Area", which is also under the Business Department, supervises and coordinates the operational phases of the non-performing credit process.
To support its activities, the Bank adopts specific procedures for the stages of appraisal/decision-making, renewal lines and monitoring of credit risk at Group level.
In these phases, the use of qualitative-quantitative creditworthiness assessment methodologies supported by procedures is envisaged computers subjected to regular verification and maintenance.
The investigation, approval and review of credit lines are governed by a deliberative process supported by the 'Easy Loans' PEF IT procedure, which allows the verification (by all the functions in charge of credit management) of the status of each position already entrusted or in the process of being entrusted, as well as the reconstruction of the related process through the tracking of the deliberative process and the types of analyses carried out.
In order to streamline procedures, two levels of review have been envisaged: one, of a simplified type with reduced formalities, reserved for the renewal of exposures of limited amounts and with a regular trend; the other, ordinary, for the remaining type of files. The Early Management Function, within the Credit Area, has the objective of overseeing the process of granting forbearance measures, in order to allow the effective identification of "economically sustainable" tolerance measures, as well as to ensure proactive management of the first signs of anomalies and weakness of the entrusted counterparty.

The definition of the criteria for the classification, evaluation and management of impaired positions and the methodologies for the performance control of credit risk also has as its objective the activation of a systematic control activity of the positions entrusted by the Credit Control Office in close collaboration with the companies belonging to the Group.

This activity is supported by the IT procedure that allows the periodic extraction of all reports that may show symptoms of trend anomalies, both internal and external.
The constant monitoring of the reports provided by the procedure, together with the detection of events of a different nature, therefore makes it possible to intervene promptly when anomalous positions arise and to take appropriate action in cases problematic credits.
All fiduciary positions are also subject to periodic review, carried out for each individual counterparty or group of related clients.
The entire credit and counterparty risk management process (risk measurement, preliminary investigation, disbursement, performance control and monitoring of exposures, review of credit lines, classification of risk positions, intervention in the event of anomalies, classification criteria, evaluation and management of impaired exposures), is formalised in the internal regulations of both Banca Cambiano 1884 S.p.a. and Cambiano Leasing S.p.a. Second-level checks are ensured by the Risk Management Function of Banca Cambiano 1884 S.p.a., to which, since November 2018, the Risk Management Function of Cambiano Leasing has also been outsourced; it is envisaged that this function carries out controls aimed at ascertaining, on a periodic basis, that the granting of credit, the monitoring and classification of credit exposures, the recovery process and the determination of provisions for impaired loans, are carried out in compliance with internal and supervisory regulations and that they are effective and reliable with reference to the ability to promptly report the occurrence of anomalies as well as to ensure the adequacy of value adjustments and the related write-offs.
Credit risk, like other risks, is mapped in the RAF process, defined by specific objectives and tolerance thresholds; the Risk Management Function therefore carries out control activities on credit risk management by periodically monitoring and verifying compliance with the risk objectives, operating limits and risk indicators defined by the Board of Directors, according to the methods and timing defined in the RAF Regulation and in the risk management processes.
For details on individual management, measurement and control systems, see Section 1.4 of Part E of the Notes to the Financial Statements of Banca Cambiano 1884 S.p.a. and Section 3.2.2 of Part D of the Notes to the Financial Statements of Cambiano Leasing S.p.a.
For the purposes of determining the minimum capital requirement for credit risk, the Group adopts the methodology standardised.
With reference to the internal capital adequacy assessment process (ICAAP), the Group uses the simplified algorithm known as the Granularity Adjustment. Granularity Adjustment (See Annex B, Title III, Chapter 1 Circ. 285/2013) to quantify internal capital against concentration risk for individual counterparties or groups of connected customers.
For the purposes of determining the minimum capital requirement for credit risk, the Banking Group adopts the standardised methodology. With reference to the internal capital adequacy assessment process (ICAAP), the Group uses the simplified algorithm known as the Granularity Adjustment (See Annex B, Title III, Chapter 1 Circular 285/2013) for determining the minimum capital requirement for credit risk. Granularity Adjustment (See Annex B, Title III, Chapter 1 Circ. 285/2013) to quantify internal capital against concentration risk for individual counterparties or groups of connected customers.
With reference operations on securities markets, the Parent Company's Finance Department performs evaluation and control activities both during the acquisition of financial instruments and at subsequent times, during which the composition of the segment by asset class/IFRS portfolio is periodically analysed, the level of specific or counterparty risk is identified and determined, and compliance with the limits and mandates assigned is verified. The results of these analyses are periodically discussed in the Finance Committee in the context of which the Risk Management Function proposes its evaluations in line with the Risk Appetite Framework.

2.3 Methods for measuring expected losses

The expected loss results from the product of exposure, probability default and Loss Given Default. IFRS 9 envisages a single impairment model, to be applied to financial assets measured at amortised cost and to those measured at fair value through OCI (Other Comprehensive Income, i.e. equity), as well as to financial guarantees and loan commitments, characterised by a prospective view, which requires the immediate recognition of credit losses even if only expected.
The Bank's stage allocation model, which is based on a relationship-by-relationship logic, or tranche if a debt instrument, for the purpose of measuring the significant increase in credit risk from the date of initial recognition of the financial instrument to the valuation date, provides for the use of both qualitative and quantitative criteria.
More , the transition of a financial instrument from stage 1 to stage 2 is determined by the occurrence of one of the following variables:

- variation in the probability of default used for internal management purposes. It is, thereforean assessment using a "relative" criterion. The criterion was revised in July 2022, during the course of the inspection, and, in accordance with the current approach of the Bank's internal rating system, provides for Stage 2:
  - performing exposures with default risk at initial recognition date of 1, 2, 3 or 4 for which a final classification of at least 10 was recorded;
  - performing exposures with default risk at the initial recognition date of 5 or 6 for which a "jump" of 6 classes of internal PD has been recorded;
  - performing exposures with default risk at the date of initial recognition of 7, 8, 9 or 10 for which a "jump" of 5 internal PD classes has been recorded;
  - performing exposures with default risk at the date of initial recognition equal to 11 for which a 'jump' of 4 classes of internal PD has been recorded.

- the possible presence of a past-due exposure that - without prejudice to the thresholds of significance identified by the regulations - has been so for at least 30 days. the presence of such an event, in other words, the credit riskiness of the exposure is presumptively deemed to have 'significantly increased' and, therefore, a 'move' to stage 2 follows (where the exposure was previously included in stage 1);
- the possible presence of forbearance measures, which - again on a presumptive basis - result in the classification of exposures as those whose credit risk is 'significantly increased' compared to initial recognition;
- finally, some of the indicators of the credit monitoring systems specifically used are considered for the purposes of the transition between 'stages'. The reference, in particular, is to the so-called 'watch-list' positions, i.e. the positions subject to an observation regime in the face of individual evidence of criticality.

The Staging Allocation model is a symmetrical model, i.e. it provides for the transition from Stage 1 to Stage 2 and vice versa. In particular, if at the previous balance date a financial instrument had been classified in Stage 2, but at the current balance sheet date it no longer meets the requirements for recognition of a provision equal to the expected losses over the life of the instrument, that position is reclassified to Stage 1. No specific criteria for remaining in Stage 2 are therefore applied, other than those inherent in the quantitative and qualitative parameters that determine staging (e.g. with reference to forborne exposures). As a result of the above, following the change in these parameters and the consequent re-staging in Stage 1, it is not considered necessary to consider further time in Stage 2, since the sustainability of the improvement in the customer's creditworthiness is already assessed during the processes covered by the reference standard of each staging parameter.

For the purposes of allocation of exposures to the various stages at the date of first application of the standard, performing exposures were classified in stages 1 and 2, unlike non-performing exposures, which were allocated to stage 3. With reference to the latter exposures, it is specified that the Bank is aligned to the definition set forth in Bank of Italy Circular No. 262/2005, i.e., that they correspond to the sum of impaired past-due exposures, probable defaults and non-performing exposures, defined by current supervisory regulations.

The Bank's general approach to quantifying expected credit losses is to ensure consistency with regulatory risk parameters.

Once the allocation of exposures to the different credit risk stages has been defined, the expected loss, which represents an estimate of the credit losses, weighted by the relative probability of occurrence, is calculated over a time horizon of 12 months for Stage 1 claims, or over the expected remaining life of the financial instrument for Stage 2 claims.

A similar valuation model is therefore adopted for all loans classified as Stage 1 and Stage 2, with the only distinguishing feature being the time horizon for estimating the expected loss. The following risk factors are considered in the valuation model:

- PD (Probability of Default) - probability of default, a parameter representing the probability of a counterparty to migrate from "performing" to "insolvent" status within time horizon of one year (Stage 1) or throughout the expected life of the financial instrument (Stage 2). The probability of insolvency is calculated on the basis of parameters determined internally by Banca Cambiano and subsequently proceeding to the inclusion of appropriate corrective elements to allow for the effects of the so-called forward-looking information relating to the macroeconomic reference scenarios to be considered;
- (Loss Given Default) - loss given default rate, a parameter that expresses in percentage terms the incidence of loss, net of recoveries, compared to amount past exposure to default, measured on the basis of appropriate internal modelling at Banca Cambiano. This parameter also includes expected direct recovery costs;
- EAD (Exposure at Default) - The treatment of EAD differs according to the type of exposure and maturity: "deterministic" amortisation schedule exposures with known cash flows and known maturity and "stochastic" exposures with unknown cash flows and/or unknown maturity. For exposures with a deterministic amortisation schedule, the EAD is defined using the amortisation schedule based on the evolution of contractual cash flows. On the other hand, exposures with an unknown amortisation schedule (e.g. non-accruals such as current accounts) are valued with an EAD calculated on the basis of appropriate modelling that takes into account both the value of the "on balance" exposure and the "off balance" component considered as potentially risky in view of the possibility of the customer increasing its drawdowns.

In determining expected losses, all reasonable and demonstrable information available at the balance sheet date without undue cost or effort is considered. The information used shall consider past events, current conditions and forecasts of future economic conditions.

Inclusion of State Guarantees

Starting from the 2021 financial year, for Banca Cambiano, for loans activated as part of the public guarantees established with the emergency legislation, the Board of Directors, on the basis of a study conducted together with the IT outsourcer and with assistance of the company KPMG, approved a new method of calculating impairment that takes into account the presence of the state guarantee, also in light of the importance of such loans in the 2020-2021 financial years. In particular, for the portion assisted by a public guarantee, the PD and LGD parameters of the customer are replaced by those of the guarantor, i.e. the Italian State, while for the portion, the customer's parameters continue be used. The determination of the government-guaranteed portion also factors in the so-called residual risk, which conservatively considered to be 20%; therefore, in the calculation of the write-down, the guaranteed portion is reduced by this percentage[3].

Management overlays

As of 31 December 2023 and throughout financial year 2024, given the uncertainty of the economic environment characterised by inflationary pressure and rising interest rates, Risk Management Function identified a perimeter of positions most impacted by the economic situation, with the relative determination of the criteria for calculating management overlays, as detailed below:

- Individuals, joint ventures and sole proprietorships classified as Stage 1 that had taken out variable-rate instalment loans before 2023 and that had average payment delays of at least five days during the year. On these positions, the determination of management overlays was based on the simulation of a risk class 'slippage' with the application of a write-down equal to what they would have had if they had been classified Stage 2;
- Individuals, joint ventures and sole proprietorships classified as Stage 2 that had taken out variable-rate instalment loans before 2023 and that had average payment delays of at least one day during year. On these positions, the determination of management overlays was based on the simulation of a "slippage" of the risk class with the application of an impairment equal to that which they would have had if they had been classified as impaired (Stage 3);
- Loans secured by commercial real estate on which, also in light of the analyses conducted by the ECB on the risks associated with exposures secured by this type of real estate, impairment losses are expected. On these positions, the determination of the management overlay was based on the application of the Loss Given Default dedicated to unsecured positions instead of that dedicated to positions secured by real estate.

The determination of management overlays on corporate loans secured by commercial real estate, in particular, was based on the European Central Bank's industry report in which it found that commercial real estate transactions decreased by 47% in the first half 2023 compared to the same period of the previous year, and that the largest listed real estate owners are trading at a discount of more than 30% net asset value.

The Risk Management Function conducted an analysis on the possible release of the add-ons introduced to deal with the risks arising from inflationary pressure and the rise in interest rates recorded at the end of the year 2023 and in the first months of 2024. For the year 2025, in fact, analysts expect a diametrically opposite economic scenario, in line with the decisions taken by the ECB Governing Council from the second half of 2024 onwards, which envisaged a decline in interest rates, with inflation gradually approaching the ECB's 2% target. The expected scenario of the rate curve for the whole of 2025 also presents a decreasing outlook.

A similar analysis was conducted for the add-on component related to exposures to companies secured by commercial real estate.

At its meeting on 19 December, the Board of Directors resolved to release the add-ons to cover the risks arising from rising interest rates and inflationary pressure (amounting to € 2.12 million as of 31 December 2023) and, given the continuing signs of particular riskiness in the European real estate market for commercial collateral, also resolved to maintain the add-ons relating to exposures to companies secured by commercial real estate.

The maintenance of the management overlays identified, resulted, with reference to the Bank's loan portfolio at the reference date of 31/12/2024, in an increase in impairment on Stage 1 of about € 169 thousand and an increase in impairment on Stage 2 of about € 359 thousand, resulting in a total add-on of € 528 thousand.

In light of the growing relevance in terms of the economic impact of climate and environmental risks, management overlays were determined to protect against these risks, as a first approach for the inclusion of the so-called ESG effects in the calculation of write-downs. Therefore, the inclusion of specific add-ons on the write-downs of the positions classified as Stage 1 and Stage 2 most impacted by physical and transition risk within loan portfolio was envisaged. In particular:

- For physical risk, i.e., the risk of incurring financial losses from acute environmental events such as floods, hurricanes and heatwaves, or chronic changes such as rising sea levels or rising average temperatures, the Risk Management Function proposes to include impairment add-on based on an increase in the Loss Given Default (LGD) rate for counterparties most impacted by such risk. The scope of application will include both real estate registered as company headquarters and positions backed by real estate collateral.
- for transition risk, that is, the risk of incurring potential negative effects from the transition process to a low-carbon economy, given that the companies most exposed to this risk could suffer increased operating costs, reduced demand for their products or services, or increased difficulty in accessing credit, the Risk Management Function proposes to include an impairment add-on to reflect the increased probability of default of counterparties most affected by transition risks.

The introduction of management overlays on climate and environmental risks resulted, with reference to the Bank's loan portfolio as at 31/12/2024, in an increase in impairment on Stage 1 of about € 694 thousand and an increase in impairment on Stage 2 of about € 1.42 million.

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[3] For example: in the case of 80% state guarantee, the exposure is considered 64% guaranteed (80%-20%*80%).

The total amount of add-ons applied on the Bank's loan portfolio as at the reference date of 31/12/2024 therefore amounts to€ 2.65 mln, divided into€ about 863 thousand on Stage 1 and€ 1.78 mln on Stage 2.
In addition to the impact on the write-downs of the application of the add-on criteria outlined above, it is necessary to consider the integration of the effects due to the updated macroeconomic scenarios based on the most recent projections published by the Bank of Italy (so-called Forward Looking components) with reference to December 2024. These updates led to an increase in impairment losses of € 968 thousand on performing positions and € 567 thousand on non-performing positions.
Similarly to what was carried out by the Parent, for the subsidiary Cambiano Leasing, specific add-ons were inserted on the write-downs of the positions classified as Stage 1 and Stage 2 most impacted by physical and transition risk, based respectively on an increase in Loss Given Default (LGD - rate of loss in event of default) and the probability of default of the counterparties most impacted by these risks within the loan portfolio. In addition, again in continuity with the Parent Company, the management overlays relative to real estate leasing contracts inherent to commercial real estate were maintained, applying a specific worsening Loss Given Default (LGD - rate of loss in the event of default). This implementation resulted in a total add-on for Cambiano Leasing of €351 thousand at 31 December 2024.

2.4 Credit risk mitigation techniques

The main levers for mitigating credit risk are the system of guarantees that back credit exposures, a limited degree of concentration with respect to borrowing counterparties, and an adequate level of diversification of loans by type of credit and product sectors.
In particular, with reference to concentration risk, it should be noted that the Group has established, as part of its 'credit policies', a series of limits on credit exposures to individual counterparties or groups of connected counterparties and to counterparties belonging to the same economic sector. These limits are constantly monitored by the Risk Management Service.
Guarantee management and related operational processes are formalised in the Parent Bank's internal regulatory framework.
The way guarantees are managed is integrated into the information system, from which the main information related to them can be deduced.
In order to mitigate credit risk, the Group uses collateral and personal guarantees. In particular, the main types of collateral used are real estate mortgage collateral and financial collateral.
The computerised management system makes it possible to effectively oversee the entire process of acquiring, evaluating, verifying and realising mortgage guarantees, identifying all the inherent information. The procedure also allows the periodic updating of the "current" value of the guarantee itself and the control of the consistency of the value of the guarantee with respect to approved risk.
The relationship between the loan and the value of the guaranteed property is constantly monitored for appropriate precautionary measures in the event of any downturn in the real estate market.
The organisational processes and operational guidelines applied to the pledge of financial instruments protect claims against price fluctuations in the securities market.
Personal guarantees consist mainly of sureties issued by individuals and companies. Also of note is the use of guarantees issued by specialised entities (e.g. Confidi) and financial institutions (e.g. State guarantees through Mediocredito Centrale pursuant to Law 662/1996) and, most recently, State guarantees issued following the crisis triggered by the Covid-19 pandemic.
To date, the Group does not use credit derivatives to hedge or transfer risk against the receivables in its portfolio.
The audits in question are carried out by centralised structures separate from those that disburse and review credit; the Internal Auditing Department, through periodic checks, ensures that the activities are managed correctly and prudently.
In the course of year, with regard to the aspects described above, the Credit Secretariat Function was set up within Credit Department and
Guarantees, which has the task of perfecting the exposures after verifying the correctness of the guarantees.

3. Impaired credit exposures

3.1 Management strategies and policies

On 27 March 2024, the Board of Directors approved the update of the Group's NPL Operating Plan (2024-2026), made on the basis of the Bank of Italy's Guidelines on impaired loans, which was sent to the Bank of Italy on 31 March 2024.
In March 2025, consistent with the Strategic Plan 2025-2029 approved by the Council
Board of Directors on 29 January 2025, the Group's NPL Business Plan (2025-2029) was again updated.
In the 2025-2029 NPL Operational Plan, the strengthening of the de-risking policy represents the First Pillar, with which the Bank aims to limit the weight of impaired loans on total loans. Over the Plan's horizon, the Bank is expected to reduce the gross weight of impaired loans on total loans from 7.07% in 2024 to the 5.42% planned for 2029, including through a de-risking plan cadenced over the three Plan years.
In the 2024 financial year for Banca Cambiano, the ratio of impaired loans to total loans decreased from 7.53% to 7.07% as a result of the completion of the sale transaction concluded by the Bank in December 2024. In particular, on 18/12/2024, the transaction for the subscription of units of the alternative investment fund ("FIA") called "Fondo Persefone", set up by PCG SGR S.p.A, was concluded by means of the contribution in kind of the right to receive the purchase price of€ 17.99 mln resulting from the sale of a portfolio of loans classified mainly as "defaults

probable' amounting to € 27.86 mln, and write-down of € 9.59 mln, to the vehicle company Caleen SPV. The loss on disposal, recorded under item 100 a) of the income statement, "Gains (losses) on disposal or repurchase of: financial assets measured at amortised cost" amounted to € 570 thousand.

Impaired financial assets include loans that have been assigned the status of non-performing, probable default or past-due/overdrawn for more than 90 days according to Bank of Italy rules, consistent with IAS/IFRS and European Supervisory regulations. The definition of impaired loans as defined by the Bank of Italy in Circular 272 of 2008 (and subsequent updates) also converges with the definition of 'impaired' assets contained in IFRS 9, with the consequent recognition of all impaired loans within the scope of Stage 3.

During the course of 2015, the 7th update of Bank of Italy Circular No. 272/2008 was issued, which revised the previous classifications of impaired loans and introduced the concept of exposures subject to concessions (so-called "forbearance"), incorporating the definitions introduced by the Implementing Technical Standards (ITS for short) issued by the European Banking Authority (EBA). The purpose of the update is to reduce the existing discretionary margins in the accounting and prudential definitions applied in different countries, as well as to facilitate EU-wide comparability of data.

In particular, the regulations require that both performing loans and impaired loans be identified by defining the categories 'Forborne performing exposures' and 'Non-performing exposures with forbearance measures' respectively.

The legislation defines 'forbearance measures' as modifications of the original contractual terms and conditions, or the refinancing of all or part of the debt, which are granted to a debtor that is experiencing, or is about to experience difficulties in meeting its financial commitments.

In classifying impaired loans, the Group has also implemented the changes to the definitions introduced by the 7th Update of Bank of Italy Circular No. 272/2008. Specifically, impaired financial assets are broken down into the categories of non-performing loans, probable defaults and impaired past-due and/or overdrawn exposures, according to the following rules:

- **Non-performing loans:** all cash and off-balance sheet exposures to a party in a state of insolvency (even if not judicially ascertained) or in substantially similar situations, irrespective of any loss projections made by the bank.
- **Probable defaults ("Unlikely to pay"):** Classification in this category is, first and foremost, the result of the bank's judgment as to the unlikelihood that, without recourse to actions such as the enforcement of collateral, the borrower will fulfil its credit obligations in full (in principal and/or interest). This assessment must be made independently of the presence of any overdue and unpaid amounts (or instalments). It is therefore not necessary to wait for the explicit symptom of an abnormality (non-repayment), where there are elements that imply a situation of risk of default by the debtor (e.g. a crisis in the industrial sector in which the debtor operates).
- **Impaired past due and/or in arrears** exposures**:** cash exposures, other than those classified as non-performing or likely to default, that are past due or in arrears for more than 90 days at the reporting date.

In this regard, it should be noted that, as of 1 January 2021, the application of the New Definition of Default ("DoD"), resulting from the implementation of the "RTS on the materiality threshold for credit obligations past due under Article 178 of the CRR (EU Delegated Regulation 2018/171)and the related EBA Guidelines on the application of the definition of default under Article 178 of the CRR, became mandatory for regulatory purposes.

The aforementioned regulation, while confirming the basis of default in late payment and probable default of the debtor, introduces some more stringent criteria for the identification of impaired positions and the subsequent return to performing status. In particular, the New Definition of Default establishes the criteria for the identification of overdue positions, the method of managing the indicators to be considered for the identification of probable default, the specific aspects of retail exposures and the criteria for the return of a position to performing status.

In detail, the main changes introduced compared to the previously applicable legislation concern the following areas:

• new definition of past two:

- lowering of the "relative" materiality threshold from 5% to 1% (threshold calculated as the ratio of overdue and/or overdrawn amount to customer's total exposure, both determined at the Banking Group level without offsetting with any available margins of other credit lines);

- introduction of an 'absolute' materiality threshold differentiated by exposure type (EUR 100 for retail and EUR 500 for non-retailers, to be compared with debtor's total past due and/or overdue amount);

- classification of a debtor in default (NPE) when both materiality thresholds are jointly exceeded for 90 consecutive days;

• Introduction of an observation period of at least three months prior to reclassification as performing for debtors previously classified as defaulted (Non-Performing Exposure) who regularise their position;

• classification of a debtor in default in a homogeneous manner at the level of the Banking Group, i.e. on all credit obligations outstanding with Group companies;

• classification of the debtor in a state of default if the onerous restructuring implies a reduced financial obligation of more than 1% compared to the previous one (i.e. Δ NPV > 1%);

• Introduction of new propagation/assessment rules for the propagation of the default status of a position on the basis of the existing link with other positions that have passed into non-performing status;

• Inability of the bank to offset overdue/underdrawn amounts existing on some of the debtor's credit lines with other credit lines opened and not used by it (so-called available margins).

The criteria introduced by the supervisory regulations had an impact on the accounting classification of impaired credit exposures (Stage 3), as the supervisory regulations are considered to be consistent with the accounting regulations under IFRS 9, in terms of objective evidence of impairment.
Within the three categories of impaired loans, in accordance with the regulations, the following are identified "Non-performing exposures with forbearance measures'.
The qualification 'forborne non-performing' therefore does not represent a signalling category in its own right within the context of impaired loans, but rather constitutes an additional cross-categorisation of the three aforementioned categories.
Information on impaired exposures is integrated into the information system with the help of specific tools that support their management and highlight their status.
The Credit Control Function, on the basis of the specific anomaly indices detected both with the IT procedures and on the basis of internal assessments, in light of the provisions of the specific internal regulations governing the process of classification of credit positions and changes in the related "status", monitors the risk classification of positions and formulates proposals to the competent Structures for any changes in status or for the sizing of loss forecasts.
Within the context of performing positions, the Group has defined, for management purposes, the subcategories Bonis C (watch list), Bonis D (forborne performing positions under probation) and Bonis E (forborne performing under probation, ex cure period), in which are classified the exposures that show a not fully regular performance of the credit relationship.
The Anomalous Position Management Function is in charge of managing positions classified as probable default, promoting initiatives aimed protecting Group's credit claims.
Non-performing cases are managed by the Litigation Department, which evaluates the actions to be taken to maximise the recovery of the claim, also acting against any guarantors as well as enforcing possible guarantees.
The evaluation of the collectability of impaired loans is based on the criteria defined by the Board of Directors contained in the specific evaluation policy currently being updated.
Positions classified as Stage 3 are classified into different risk states and accordingly subject to analytical or lump-sum valuation. Value adjustments on Stage 3 exposures reflect expected loss calculated over a time horizon equal to the entire duration of the related exposure. As part of its valuation policies, the Group has used valuation processes and methods characterised by subjectivity and the estimation of certain variables such as, principally, expected cash flows, expected recovery times and the presumed realisable value of guarantees, where present, the change in which may lead to a change in the final recoverable value; this determination was based on the use of information available at the valuation date, taking due account of the possible effects of the pandemic crisis. Impaired exposures not classified as non-performing for amounts below a predetermined threshold, for which no objective evidence of loss was identified, were subjected to the lump-sum valuation, which provides for the statistical determination of the expected loss and therefore of the related value adjustments for homogeneous categories of exposures (defined according to counterparty segment and technical form).
Analytical devaluation, however, must be carried out whenever objective events of degradation are found that require timely analysis.
In particular, in relation to the concept of materiality referred to by current accounting standards, impaired past-due exposures and probable defaults individually below the materiality threshold of €300,000 were subject to impairment using a lump-sum method.
The valuation of exposures classified as non-performing is updated periodically to allow for the timely incorporation in the accounts of all events that may change the prospects for credit recovery.
The valuation of non-performing loans is carried out in an analytical manner, i.e. on the basis of an accurate recognition of the recoverability of the individual positions entrusted, taking into account all elements useful for the purpose of defining the recovery expectation.
The valuation of exposures classified as likely to default is updated periodically so as to allow for the timely recognition of any events that may change the prospects for recovery of the loans, as well as to ascertain whether the conditions for their transfer to non-performing status are met.
On this category, value adjustments are made:

- for positions above€ 300,000 analytically;
- for positions less than or equal to the €300,000 threshold, for which no objective evidence of loss is identified, using a flat-rate method for homogeneous types of exposure.

The purpose of the assessment is to determine any expected losses, bearing in mind, however, that positions are classified in this risk class on the basis of the Bank's judgement as to the unlikelihood that, without recourse to actions such as the enforcement of guarantees, the debtor will fulfil its credit obligations in full; as is well known, this assessment is to be made independently of the presence of any amounts (or instalments) that are overdue or not.
Therefore, in the case of a position classified as a probable default, the estimate of the estimated realisable value of the receivable is made by assessing the debtor's ability to meet obligations, measured on basis of all available information on the debtor's financial and economic situation and the value of any existing collateral securing the receivables.
The recoverable amount is determined, depending on the recovery strategy envisaged (distinguishing between "continuing" and "discontinued" operations), which reflects the overall riskiness, by assessing the ability to generate cash flows adequate to repay the exposure and/or on the mere enforcement of guarantees.
For positions less than or equal to the threshold of€ 300,000, for which no objective evidence of loss is identified, the write-downs are made using the lump-sum method for homogeneous types of exposures.

Positions classified as past due, for which no objective evidence of loss is identified, are subject to valuation using the lump-sum method for homogeneous types of exposures.
The valuation carried out on a lump-sum basis provides for the statistical determination of the expected loss and thus of the corresponding value adjustments.

With reference to Cambiano Leasing, the Management quantifies impairment adjustments/reversals on a quarterly basis. For exposures belonging to stage 1, overall value adjustments are equal to the expected loss calculated over a time horizon of up to one year, while for exposures belonging to stage 2 or 3, overall value adjustments are equal to the expected loss calculated over a time horizon equal to the entire duration of the relative exposure. These estimates and associated assumptions are based on past experience and other factors considered reasonable in the circumstances; they are reviewed regularly taking into account the macroeconomic and market environment. The results of the activities are presented by the General Manager to the Board of Directors for approval of proposals to write-off and write-down loans. Impaired loans, stage 3, more specifically non-performing loans, probable defaults and impaired past due exposures are subject to analytical assessment.
For non-performing loans, when the sum of the estimated value of the asset subject to the contract and the bank guarantee is lower than the loan recorded in the balance sheet, an impairment adjustment/recovery is measured. This adjustment/reversal is determined as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate of the loan; in the case of a loan with a variable interest rate, the discount rate will be the effective rate prevailing at the date of entry on the non-performing status.
Probable defaults and impaired past-due loans are also subject to value adjustment when the receivable recorded in balance sheet exceeds the sum of the appraised value of the asset and any surety guarantee.
For detailed information on the impaired financial assets of Group companies, see Section 1 of Part E of the Notes to the Financial Statements of Banca Cambiano 1884 S.p.A. and Section 3 of Part D of the Notes to the Financial Statements of Cambiano Leasing S.p.A.

3.2 Write-off

With regard to impaired loans, the Bank resorts to the write-off/cancellation - in whole or in part - of accounting items uncollectable (so-called write-off) and proceeds to allocate the residue not yet adjusted to losses in the following cases:
a) irretrievability of the claim, resulting from certain and precise elements (such as, by way of example, the debtor's untraceability and nullity, non-recoveries from movable and real estate executions, negative attachments, bankruptcy proceedings closed with not complete relief for the Bank, if there are no further enforceable guarantees, etc.);
b) waiver of the claim, as a result of unilateral debt forgiveness or residual debt under settlement agreements;
c) assignments of credit.
In some circumstances, it is also necessary to carry out partial write-offs of gross receivables in order to adjust them to the Bank's actual claims. Such circumstances arise, for example, in the case of uncontested orders, within the framework of bankruptcy proceedings, on the basis of which a claim is recognised that is lower than the one recognised.
In addition, the Bank, on an annual basis, has provided for the possibility of defining portfolios of non-performing loans to be subject to total or partial write-off having the following macro-characteristics together:
– coverage percentage> 95%
– seniority (understood as the period of permanence in the 'distressed' state) averaged over 6 years.
The company Cambiano Leasing resorts to the complete elimination of a receivable (write-off) when it is considered irrecoverable or is written off in its entirety. Write-offs are booked directly to item 130 a) "Net impairment losses/reversals of impairment losses on financial assets measured at amortised cost" of the income statement.
In the financial year 2024, the Bank made write-offs on nonperforming positions not sold for€ 12.13 million.

3.3 Impaired financial assets acquired or originated

According to IFRS 9, loans that are already considered impaired upon initial recognition in the financial statements, due to the associated high credit risk, are defined as Purchased or Originated Credit Impaired Assets (POCI). These receivables, if they fall within the scope of application of impairment pursuant to IFRS 9, are valued by allocating - from the date of initial recognition - provisions to cover losses that cover the entire residual life of the receivable (so-called Expected Credit Loss lifetime). Since these are impaired loans, they are initially recognised as Stage 3, without prejudice to the possibility of being moved to Stage 2 during their life if, on the basis of the credit risk analysis, they are no longer impaired.
The Group identifies acquired or originated impaired financial assets as 'impaired financial assets':
• credit exposures already impaired the time of purchase e;
• credit exposures originated in the case of restructuring operations of impaired exposures that resulted in the provision of new finance, or introduced substantial changes to the original contractual terms.

4. Financial assets subject to trade renegotiations and exposures subject to concessions

On 27/01/2020, the new Policy for the management of exposures subject to concessions (Forbearance Policy) was approved. The regulations adopted by the Group provide for demarcation lines between renegotiation measures of a commercial nature and concessionary interventions on existing credit relationships (so-called forbearance measures).

The character of commercial renegotiations consists in the purpose of consolidating the relationship with the borrowing counterparty, which, upon thorough verification, proves to be capable of fulfilling its original financial obligations time.
A forbearance measure, on the other hand, is represented by a change in the contractual terms in favour of debtor customers who, even due to events of a temporary nature, are no longer able to meet their initially agreed financial obligations. The ascertained financial difficulty therefore constitutes a decisive requisite to qualify, as forbearance intervention, changes in the value, timing and terms of debt repayment. Any objective elements of anomalous credit exposure detected by the system support the manager in the subjective (judgemental) assessment of the client. The objective financial difficulty is always subject to a subsequent subjective assessment, resulting in possible confirmation or exclusion of the customer's financial difficulty. The subjective assessment is in any case carried out independently of the detection of actual objective anomalies.
Financial distress is assumed to be proven if the counterparty is classified as non-performing.
The approval of a concession:

- involves the performance of procedures that involve an assessment aimed at verifying whether the concession can be effective in re-establishing the debtor's autonomous regular conduct, without the need for further support by returning the exposure to a sustainable repayment situation and, in the case of non-performing exposures, with key objective of laying the foundations for a return to performing status. The analysis performed consists of several stages that process information of both an objective and subjective nature;
- entails the attribution of forborne status to the relationship affected by this measure. A performing counterparty that receives a concession may retain that administrative status. However, the constraint will have to be respected for as long as the credit relationship affected by the concession retains the forborne status.

Upon completion of the concession, an observation period called, depending on the case, Probation Period (two years for forborne performing exposures) and Cure Period (one year for forborne non-performing exposures) is initiated. At the end of these time periods, only if the borrower's behaviour is actually regular and the conditions set out in the regulations are met, the possibility of an improvement in the status classification be assessed or, in the case of performing exposures, the removal of the forborne attribute may be considered.
Given the above, it is specified that the characteristics of the contractual changes granted to customers, where they are considered "substantial", based on the differentiation between changes of a commercial nature and changes deriving from *forberance* measures, may result in the derecognition of the financial asset from the financial statements and the re-recognition of a new asset (so-called "derecognition accounting"). In this situation and with specific reference to those positions that pass the SPPI test, the Bank, for the purposes of impairment, considers the date of first recognition to be the date on which the change in the asset occurs. On the contrary, in the case of contractual changes considered "non-substantial" and therefore not subject to "derecognition accounting", for purposes of impairment, the date of first recognition is considered to be the date on which the instrument was originated.

A. Quality of credit

A.1 Impaired and unimpaired credit exposures: outstanding amounts, impairments, dynamics and distribution economic

A.1.1 Prudential consolidation - Distribution of financial assets by maturity bands (book values)

Portfolios/Risk Stages	First stage			Second stage			Third stage			Impaired acquired or originate		
	1 to 30 days	For more than 30 days up to G0 days	Beyond G0 days	1 to 30 days	Over 30 days up to G0 days	Over G0 days	From 1 to 30 days	Over 30 days up to G0 days	Over G0 days	From 1 to 30 days	For more than 30 days up to G0 days	Beyond G0 days
1. Financial assets measured at cost damped	4.848	0	0	12.248	15.393	9.792	4.427	5.869	83.911	17	0	960
2. Financial assets measured at fair value with impact on profitability total	0	0	0	0	0	0	0	0	0	0	0	0
3. Financial assets in divestment course	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL 31/12/2024	**4.848**	**0**	**0**	**12.248**	**15.3G3**	**G.7G2**	**4.427**	**5.86G**	**83.G11**	**17**	**0**	**G60**
TOTAL 31/12/2023	**16.431**	**7**	**0**	**16.273**	**23.158**	**2.6G7**	**6.871**	**5.613**	**103.30G**	**0**	**1.208**	**41**

The values shown are those in the balance sheet net of the relevant doubtful outcomes.

A.1.2 Prudential Consolidation - Financial Assets, Commitments to Disburse Funds and Financial Guarantees Issued: Changes in Total Value Adjustments and Total Provisions - Part 1

Causes/stages of risk	Total value adjustments					
	Stage 1 activities					
	Loans and advances to banks and central banks on demand	AF valued at amortised cost	FA measured at fair value with impact on profitability total	AF being divested	of which: individual write-downs	of which: collective impairments
Initial total adjustments	0	8.8G2	261	0	447	8.705
Increases from financial assets acquired or originated	0	0	0	0	0	0
Cancellations other than write-offs	0	0	0	0	0	0
Net Value Adjustments/Reversals due to Risk of credit (+/-)	0	-346	-221	0	-217	-34G
Contractual changes without cancellation	0	0	0	0	0	0
Changes in estimation methodology	0	0	0	0	0	0
Write-offs not recognised directly in the account economic	0	0	0	0	0	0
Other variations	0	0	0	0	0	0
Total final adjustments	0	8.546	40	0	230	8.357
Recoveries from collections on financial assets object of write-off	0	0	0	0	0	0
Write-offs recognised directly in the account economic	0	0	0	0	0	0

A.1.2 Prudential Consolidation - Financial Assets, Commitments to Disburse Funds and Financial Guarantees Issued: Changes total value adjustments and total provisions - part 2

Causes/stages of risk	Total value adjustments					
	Stage 2 activities					
	Loans and advances to banks and central banks on demand	AF valued at amortised cost	FA measured at fair value with impact on profitability total	AF being divested	of which: individual write-downs	of which: collective impairments
Initial total adjustments	0	G.025	6	0	283	8.74G
Increases from financial assets acquired or originated	0	0	0	0	0	0
Cancellations other than write-offs	0	0	0	0	0	0
Net Value Adjustments/Reversals due to Risk of credit (+/-)	0	270	-6	0	-64	328
Contractual changes without cancellation	0	0	0	0	0	0
Changes in estimation methodology	0	0	0	0	0	0
Write-offs not recognised directly in the account economic	0	0	0	0	0	0
Other variations	0	-210	0	0	-210	0
Total final adjustments	0	G.086	0	0	G	G.077
Recoveries from collections on financial assets object of write-off	0	0	0	0	0	0
Write-offs recognised directly in the account economic	0	0	0	0	0	0

A.1.2 Prudential Consolidation - Financial Assets, Commitments to Disburse Funds and Financial Guarantees Issued: Changes total value adjustments and total provisions - part 3

Causes/stages of risk	Total value adjustments					
	Stage 3 activities					
	Due from banks and central banks a view	AF valued at amortised cost	FA measured at fair value with impact on comprehensive income	AF being divested	of which: individual write-downs	of which: collective impairments
Initial total adjustments	0	G6.771	0	0	G6.771	0
Increases from assets finances acquired or originated	0	0	0	0	0	0
Cancellations other than write-offs	0	0	0	0	0	0
Net value adjustments/reversals for credit risk (+/-)	0	25.278	0	0	25.278	0
Contractual changes without cancellations	0	0	0	0	0	0
Changes in the methodology of estimate	0	0	0	0	0	0
Write-offs not directly detected at profit and loss account	0	-15.568	0	0	-15.568	0
Other variations	0	-14.188	0	0	-14.188	0
Total final adjustments	0	G2.2G3	0	0	G2.2G3	0
Recoveries on assets financial assets subject to write-off	0	0	0	0	0	0
Write-offs recognised directly in the account economic	0	0	0	0	0	0

A.1.2 Prudential Consolidation - Financial Assets, Commitments to Disburse Funds and Financial Guarantees Issued: Changes in Total Value Adjustments and Total Provisions - Part 4

Causes/stages of risk	Total value adjustments				
	Impaired financial assets acquired or originated				
	AF valued at amortised cost	FA measured at fair value with impact on profitability total	AF being divested	of which: individual write-downs	of which: collective impairments
Initial total adjustments	**1.3G5**	**0**	**0**	**1.38G**	**7**
Increases from financial assets acquired or originated	**0**	**0**	**0**	**0**	**0**
Cancellations other than write-offs	**0**	**0**	**0**	**0**	**0**
Net value adjustments/reversals for risk of credit (+/-)	**644**	**0**	**0**	**648**	**-4**
Contractual changes without cancellation	**0**	**0**	**0**	**0**	**0**
Changes in estimation methodology	**0**	**0**	**0**	**0**	**0**
Write-offs not recognised directly in the account economic	**0**	**0**	**0**	**0**	**0**
Other variations	**0**	**0**	**0**	**0**	**0**
Total final adjustments	**2.03G**	**0**	**0**	**2.037**	**2**
Recoveries from collections on financial assets subject of write-offs	**0**	**0**	**0**	**0**	**0**
Write-offs recognised directly in the profit and loss account	**0**	**0**	**0**	**0**	**0**

A.1.2 Prudential Consolidation - Financial Assets, Commitments to Disburse Funds and Financial Guarantees Issued: Changes in Total Value Adjustments and Total Provisions - Part 5

Causes/stages of risk	Total value adjustments			Total
	Total provisions on commitments to disburse funds and financial guarantees given			
	First stage	Second stage	Third stage	
Initial total adjustments	**270**	**38**	**1.7G6**	**118.453**
Increases from financial assets acquired or originate	**0**	**0**	**0**	**0**
Cancellations other than write-offs	**0**	**0**	**0**	**0**
Net value adjustments/write-backs for credit risk (+/-)	**-18**	**-13**	**323**	**25.G10**
Contractual changes without cancellation	**0**	**0**	**0**	**0**
Changes in estimation methodology	**0**	**0**	**0**	**0**
Write-offs not recognised directly in the profit and loss account	**0**	**0**	**0**	**-15.568**
Other variations	**0**	**0**	**0**	**-14.3G7**
Total final adjustments	**251**	**25**	**2.11G**	**114.3G8**
Recoveries from collections on financial assets subject to write-off	**0**	**0**	**0**	**0**
Write-offs recognised directly in the profit and loss account	**0**	**0**	**0**	**0**

A.1.3 Prudential Consolidation - Financial Assets, Commitments to Disburse Funds and Financial Guarantees Issued transfers between risk stages (gross and nominal values)

Portfolios/risk stages	Gross values / Nominal value					
	Transfers between first stage and second stage		Transfers between second stage and third stage		Transfers between first stage and third stage	
	From 1st stage to 2nd stage	From 2nd stage at 1st stage	From 2nd stage to 3rd stage	From 3rd stage to 2nd stage	From 1st stage to 3rd stage	From 3rd stage at 1st stage
1. Financial assets measured at amortised cost	117.120	81.582	23.719	2.868	18.554	865
2. Financial assets measured at fair value with impact on comprehensive income	0	4.800	0	0	0	0
3. Financial assets held for sale	0	0	0	0	0	0
4. Commitments to Disburse Funds and Financial Guarantees Issued	32.123	19.339	18.108	153	13.312	231
Total 31/12/2024	**14G.243**	**105.721**	**41.827**	**3.021**	**31.865**	**1.0G6**
Total 31/12/2023	**157.723**	**107.232**	**24.766**	**3.145**	**20.637**	**2.016**

Notes:
Stage transfers include flows recorded for loans measured at amortised cost outstanding at the balance sheet date that constitute new liquidity provided through public guarantee mechanisms issued against the COVID-19 framework, in the form of 'New Loans'.
The stage transfers carried out during the year are shown in the table below:

Internship	**Gross values**
1 to 2	16.750

Internship	Gross values
2 to 1	18.281
1 to 3	7.201
3 to 1	73
2 to 3	4.757
3 to 2	22

A.1.4 Prudential Consolidation - Cash and off-balance sheet credit exposures to banks: gross and net values - Part 1

Exposure types/values	Gross exposure				
		First stage	Second stage	Third stage	Impaired acquired or originate
A. On-balance-sheet credit exposures					
A.1 A view	116.067	116.067	0	0	0
a) Deteriorated	0	X	0	0	0
(b) Not impaired	116.067	116.067	0	X	0
A.2 Other	155.850	155.850	0	0	0
(a) Non-performing loans	0	X	0	0	0
- of which: exposures subject to concessions	0	X	0	0	0
(b) Probable defaults	0	X	0	0	0
- of which: exposures subject to concessions	0	X	0	0	0
(c) Impaired past due exposures	0	X	0	0	0
- of which: exposures subject to concessions	0	X	0	0	0
(d) Non-impaired past due exposures	0	0	0	X	0
- of which: exposures subject to concessions	0	0	0	X	0
(e) Other unimpaired exposures	155.850	155.850	0	X	0
- of which: exposures subject to concessions	0	0	0	X	0
TOTAL A	**271.G18**	**271.G18**	**0**	**0**	**0**
B. Off-balance-sheet credit exposures					
a) Deteriorated	0	X	0	0	0
(b) Not impaired	12.228	12.228	0	X	0
TOTAL B	**12.228**	**12.228**	**0**	**0**	**0**
TOTAL A+ B	**284.146**	**284.146**	**0**	**0**	**0**

A.1.4 Prudential Consolidation - Cash and off-balance sheet credit exposures to banks: gross and net values - Part 2

Exposure types/values	Total value adjustments and provisions					Net exposure	Overall partial write-offs (*)
		First stage	Second stage	Third stage	Impaired acquired or originate		
A. On-balance-sheet credit exposures							
A.1 A view	0	0	0	0	0	116.067	0
a) Deteriorated	0	X	0	0	0	0	0
(b) Not impaired	0	0	0	X	0	116.067	0
A.2 Other	37	37	0	0	0	155.813	0
(a) Non-performing loans	0	X	0	0	0	0	0
- of which: exposures subject to concessions	0	X	0	0	0	0	0
(b) Probable defaults	0	X	0	0	0	0	0
- of which: exposures subject to concessions	0	X	0	0	0	0	0
(c) Impaired past due exposures	0	X	0	0	0	0	0
- of which: exposures subject to concessions	0	X	0	0	0	0	0
(d) Non-impaired past due exposures	0	0	0	X	0	0	0
- of which: exposures subject to concessions	0	0	0	X	0	0	0
(e) Other unimpaired exposures	37	37	0	X	0	155.813	0
- of which: exposures subject to concessions	0	0	0	X	0	0	0
TOTAL A	**37**	**37**	**0**	**0**	**0**	**271.881**	**0**
B. Off-balance-sheet credit exposures							
a) Deteriorated	0	X	0	0	0	0	0
(b) Not impaired	0	0	0	X	0	12.228	0
TOTAL B	**0**	**0**	**0**	**0**	**0**	**12.228**	**0**
TOTAL A+ B	**37**	**37**	**0**	**0**	**0**	**284.10G**	**0**

Notes

The table shows, with reference to transactions with banks, the composition by credit quality. In particular, all assets are shown financial liabilities towards banks arising from the balance sheet items "20 - Financial assets held for trading, "30 - Financial assets measured at fair value with impact on comprehensive income' and '40 - Financial assets measured at cost amortised (a) loans to banks'.

Excluding equity securities and O.I.C.R. units amounting to 56,837 mgl., and securities issued by non-banking counterparties amounting to 327,420 mgl.

A.1.5 Prudential Consolidation - Cash and off-balance sheet credit exposures to customers: gross and net values - Part 1

Exposure types/values	Gross exposure				
		First stage	Second stage	Third stage	Impaired acquired or originated
A. On-balance-sheet credit exposures					
(a) Non-performing loans	93.419	X	0	93.419	0
- of which: exposures subject to concessions	2.494	X	0	2.494	0
(b) Probable defaults	119.513	X	0	115.138	4.375
- of which: exposures subject to concessions	67.317	X	0	64.772	2.545
(c) Impaired past due exposures	19.869	X	0	19.869	0
- of which: exposures subject to concessions	1.595	X	0	1.595	0
(d) Non-impaired past due exposures	43.269	4.881	38.385	X	3
- of which: exposures subject to concessions	6.559	0	6.559	X	0
(e) Other unimpaired exposures	3.643.102	3.285.515	261.599	X	409
- of which: exposures subject to concessions	45.185	0	45.069	X	116
TOTAL A	**3.G1G.173**	**3.2G0.3G6**	**2GG.G84**	**228.426**	**4.788**
B. Off-balance-sheet credit exposures					
a) Deteriorated	14.747	X	0	14.747	
(b) Not impaired	925.698	874.236	47.194	X	
TOTAL B	**G40.445**	**874.236**	**47.1G4**	**14.747**	
TOTAL A+ B	**4.85G.618**	**4.164.632**	**347.178**	**243.173**	**4.788**

A.1.5 Prudential Consolidation - Cash and off-balance sheet credit exposures to customers: gross and net values - Part 2

Exposure types/values	Total value adjustments and provisions total					Net exposure	Overall partial write-offs (*)
		First stage	Second stage	Third stage	Impaired acquired or originated		
A. On-balance-sheet credit exposures							0
(a) Non-performing loans	52.098	X	0	52.098	0	41.321	0
- of which: exposures subject to concessions	440	X	0	440	0	2.054	1.200
(b) Probable defaults	39.619	X	0	37.582	2.037	79.895	0
- of which: exposures subject to concessions	24.453	X	0	23.250	1.203	42.864	0
(c) Impaired past due exposures	2.614	X	0	2.614	0	17.255	0
- of which: exposures subject to concessions	86	X	0	86	0	1.509	0
(d) Non-impaired past due exposures	988	33	955	X	0	42.281	0
- of which: exposures subject to concessions	289	0	289	X	0	6.270	0
(e) Other unimpaired exposures	16.649	8.525	8.120	X	2	3.626.454	0
- of which: exposures subject to concessions	946	0	946	X	0	44.239	0
TOTAL A	**111.G67**	**8.558**	**G.075**	**G2.2G3**	**2.03G**	**3.807.206**	**0**
B. Off-balance-sheet credit exposures							
a) Deteriorated	2.119	X	0	2.119	0	12.628	0
(b) Not impaired	276	251	25	X	0	925.422	0
TOTAL B	**2.3G4**	**251**	**25**	**2.11G**	**0**	**G38.050**	**0**
TOTAL A+ B	**114.361**	**8.80G**	**G.100**	**G4.412**	**2.03G**	**4.745.257**	**0**

Notes

The table shows, with reference to transactions with customers, the composition by credit quality. In particular, all financial assets due from customers are reported under balance sheet item '20 - Financial assets at fair value through profit or loss',
"30 - Financial assets measured at fair value with impact on comprehensive income" and "40 Financial assets measured at amortised cost b) loans to customers". Excluded are equity securities and units in mutual funds amounting to 56,8382 mgl, and securities issued by banks amounting to 19,167 mgl.
On-balance-sheet credit exposures include loans outstanding at the balance sheet date that constitute new liquidity provided through public guarantee mechanisms under the COVID19 framework.
The table below shows, for the different asset categories (impaired/non-impaired), the gross exposure and total value adjustments.

Exposure types/values	Gross exposure	Total value adjustments
Impaired exposures	**21.758**	**3.864**
(a) Non-performing loans	0	0

Exposure types/values	**Gross exposure**	**Total value adjustments**
(b) Probable defaults	15.925	3.487
(c) Impaired past due exposures	5.832	378
Non-impaired exposures	**2G4.188**	**720**
(d) Performing loans - stage 2	39.958	296
(e) Performing loans - stage 1	254.230	424
Grand total	**315.G46**	**4.584**

A.1.7 Prudential Consolidation - Cash credit exposures to customers: changes in gross impaired exposures

Causes/Categories	**Non-performing loans**	**Defaults probable**	**Expired exposures impaired**
A. Initial gross exposure	**103.617**	**138.423**	**20.G04**
- of which: exposures transferred not derecognised	*0*	*0*	*0*
B. Increases	**35.642**	**0**	**0**
B.1 Inputs from non-impaired exposures	5.497	41.716	13.793
B.2 Inputs from impaired financial assets acquired or originated	0	0	0
B.3 Transfers from other impaired exposure categories	26.251	5.004	5
B.4 contractual changes without cancellation	1.261	1.183	0
B.5 Other increases	2.633	16.168	0
C. Decreases	**0**	**0**	**0**
C.1 Outflows to non-impaired exposures	0	2.816	1.852
C.2 write-offs	15.568	73	0
C.3 collections	23.970	34.643	1.423
C.4 Proceeds from disposals	5.608	12.084	189
C.5 Losses from disposals	408	9.570	95
C.6 transfers to other impaired exposure categories	285	23.118	7.856
C.7 contractual changes without cancellation	0	677	2.060
C.8 other decreases	0	0	1.357
D. Final gross exposure	**G3.41G**	**11G.513**	**1G.86G**
- of which: exposures transferred not derecognised	*0*	*0*	*0*

Items C.4 and C.5 show transactions of non-recourse sales of impaired loans finalised by the Bank during the year.

A.1.7a Prudential Consolidation - credit exposures to customers: changes in gross credit exposures broken down by credit quality

Causes/Categories	**Concessional exposures: impaired**	**Exposures subject to concessions: not impaired**
A. Initial gross exposure	**88.34G**	**67.884**
- of which: exposures transferred not derecognised	*0*	*0*
B. Increases	**8.72G**	**14.752**
B.1 Inputs from non-impaired exposures not subject to concessions	2.041	12.789
B.2 Inputs from unimpaired exposures subject to concessions	6.075	0
B.3 Inputs from impaired concessions exposures	0	1.881
B.4 other increases	522	0
C. Decreases	**25.672**	**30.8G2**
C.1 Outflows to non-impaired exposures not subject to concessions	0	17.301
C.2 Outflows to unimpaired exposures subject to concessions	1.881	0
C.3 Outflows to Impaired Concessional Exposures	0	6.075
C.4 write-offs	73	0
C.5 collections	2.661	86
C.6 Proceeds from disposals	0	0
C.7 Losses from disposals	0	0
C.8 other decreases	21.056	7.430
D. Final gross exposure	**71.406**	**51.744**
- of which: exposures transferred not derecognised	*0*	*0*

A.1.G Prudential Consolidation - Impaired cash credit exposures to customers: changes in adjustments overall value

Random/Categories	Non-performing loans		Probable defaults		Expired exposures impaired	
	Total	of which: exposures subject to concessions	Total	of which: exposures subject to concessions	Total	of which: exposures subject to concessions
A. Opening Total Adjustments	**4G.247**	**211**	**45.G28**	**31.260**	**1.5G6**	**0**
- of which: exposures transferred not derecognised	*0*	*0*	*0*	*0*	*0*	*0*
B. Increases	**32.037**	**328**	**14.463**	**502**	**2.105**	**86**
B.1 Value adjustments from financial assets impaired acquired or originated	0	0	0	0	0	0
B.2 other value adjustments	7.839	108	12.268	502	1.811	86
B.3 Losses on Disposal	0	0	1.523	0	80	0
B.4 transfers from other exposure categories impaired	8.712	221	673	0	4	0
B.5 contractual changes without cancellation	0	0	0	0	0	0
B.6 other increases	15.485	0	0	0	210	0
C. Decreases	**2G.187**	**GG**	**20.772**	**7.30G**	**1.087**	**0**
C.1 Write-backs from valuation	11.072	0	3.074	7.072	26	0
C.2 write-backs from collections	534	88	222	16	28	0
C.3.Gains on disposal	1.069	0	0	0	0	0
C.4 write-offs	15.568	0	0	0	0	0
C.5 transfers to other exposure categories impaired	43	0	8.368	221	977	0
C.6 contractual changes without cancellation	0	0	0	0	0	0
C.7 Other decreases	900	11	9.108	0	56	0
D. Total final adjustments	**52.0G8**	**440**	**3G.61G**	**24.453**	**2.614**	**86**
- of which: exposures transferred not derecognised	*0*	*0*	*0*	*0*	*0*	*0*

A.2 Classification of financial assets, loan commitments and financial guarantees issued according to external and internal ratings

A.2.1 Distribution of financial assets, commitments to disburse funds and financial guarantees issued: by External rating classes (gross values)

Exhibitions	External rating classes						Without rating	Total 31/12/2024
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6		
A. Financial assets measured at cost damped								
- First stage	0	0	617.787	0	0	0	2.589.741	3.207.528
- Second stage	0	0	0	2.035	0	0	299.984	302.019
- Third stage	0	0	0	0	0	0	228.426	228.426
- Impaired acquired or originated	0	0	0	0	0	0	4.788	4.788
B. Financial assets measured at fair value with impact on profitability total								
- First stage	0	0	158.805	0	0	0	0	158.805
- Second stage	0	0	0	0	0	0	0	0
- Third stage	0	0	0	0	0	0	0	0
-Impaired acquired or originated	0	0	0	0	0	0	0	0
Total (A+ B)	**0**	**0**	**776.5G2**	**2.035**	**0**	**0**	**3.122.G3G**	**3.G01.566**
C. Commitments to Disburse Funds and Guarantees finances issued								
- First stage	0	0	0	0	0	0	876.736	876.736
- Second stage	0	0	0	0	0	0	47.194	47.194
- Third stage	0	0	0	0	0	0	14.747	14.747
- Impaired financial assets acquired or originated	0	0	0	0	0	0	0	0
Total (C)	**0**	**0**	**0**	**0**	**0**	**0**	**G38.677**	**G38.677**
Total (A+ B+ C)	**0**	**0**	**776.5G2**	**2.035**	**0**	**0**	**4.061.615**	**4.840.243**

Legend:
Class 1 = AAA/AA- Class
2 = A+/A- Class 3 =
BBB+/BB- Class 4 =
BB+/BB- Class 5 = B+/B-
Class 6= Below B-

A.3 Distribution of guaranteed exposures by type of guarantee

A.3.2 Prudential Consolidation - Secured on-balance-sheet and off-balance-sheet credit exposures to customers - Part 1

Entries	Gross exposure	Net exposure	Collateral (1)			
			Mortgages	Real estate - financing for leasing	Titles	Other guarantees real
1. Secured cash credit exposures:						
1.1 fully guaranteed	2.037.842	1.984.470	1.401.840	0	41.494	22.257
- of which impaired	*137.185*	*S4.C12*	*C1.3C2*	*0*	*0*	*CS*
1.2 partially guaranteed	284.652	273.883	50	0	16.205	5.497
- of which impaired	*1S.C5S*	*11.347*	*50*	*0*	*72*	*14C*
2 Off-balance-sheet credit exposures guaranteed:						
2.1 fully guaranteed	126.658	126.658	5.238	0	709	6.817
- of which impaired	*7.731*	*7.731*	*0*	*0*	*14*	*23S*
2.2 partially guaranteed	45.545	45.545	0	0	3.373	930
- of which impaired	*C3C*	*C3C*	*0*	*0*	*0*	*0*

A.3.2 Secured Customer Credit Exposures - Part 2

Entries	Personal guarantees (2)									Total (1)+(2)
	Credit derivatives					Signature credits				
	CLN	Other derivatives								
		Central counterparts	Banks	Other companies financial	Other subjects	Public Administrations	Banks	Other financial companies	Other subjects	
1. Credit exposures for guaranteed cash:										
1.1 fully guaranteed	0	0	0	0	0	272.914	0	6.532	235.903	**G80.G40**
- of which impaired	0	0	0	0	0	22.408	0	1.262	9.333	**G4.434**
1.2 partially guaranteed	0	0	0	0	0	140.049	0	958	58.474	**221.232**
- of which impaired	0	0	0	0	0	8.685	0	36	1.822	**10.811**
2 Off-balance-sheet credit exposures guaranteed budget:										
2.1 fully guaranteed	0	0	0	0	0	17.252	0	806	95.828	**126.650**
- of which impaired	0	0	0	0	0	1.832	0	227	5.419	**7.731**
2.2 partially guaranteed	0	0	0	0	0	14.612	0	39	11.147	**30.101**
- of which impaired	0	0	0	0	0	937	0	0	339	**1.276**

B. Distribution and concentration of credit exposures
B.1 Prudential Consolidation - Sectoral distribution of off-balance sheet cash credit exposures to customers (balance sheet value) - Part 1

Exposures/Counterparts	Public Administrations		Financial companies		Financial companies (of which: insurance companies)	
	Net exposure	Value adjustments total	Net exposure	Value adjustments total	Net exposure	Value adjustments total
A. Cash exposure						
A.1 Non-performing loans	0	0	414	530	0	0
- of which: exposures subject to concessions	*0*	*0*	*0*	*0*	*0*	*0*
A.2 Probable Defaults	0	0	53	47	0	0
- of which: exposures subject to concessions	*0*	*0*	*0*	*0*	*0*	*0*
A.3 Impaired Past Due Exposures	0	0	1.329	63	0	0
- of which: exposures subject to concessions	*0*	*0*	*1.325*	*C2*	*0*	*0*
A.4 Non-impaired exposures	839.478	227	111.944	131	28.010	0
- of which: exposures subject to concessions	*0*	*0*	*135*	*0*	*0*	*0*
TOTAL A	**83G.478**	**227**	**113.740**	**770**	**28.010**	**0**
B. Off-balance-sheet exposures						
B.1 Impaired exposures	0	0	0	0	0	0
B.2 Non-impaired exposures	1.832	0	88.854	2	5.046	0
TOTAL B	**1.832**	**0**	**88.854**	**2**	**5.046**	**0**
TOTAL (A+B) 31/12/2024	**841.310**	**227**	**202.5G4**	**772**	**33.057**	**0**
TOTAL (A+B) 31/12/2023	**8G8.247**	**321**	**1G4.828**	**G11**	**32.1GG**	**0**

B.1 Prudential Consolidation - Sectoral distribution of cash 'off-balance sheet' credit exposures to customers (balance sheet value) - Part 2

Exposures/Counterparts	Non-financial companies		Families		TOTAL	
	Net exposure	Value adjustments total	Net exposure	Value adjustments total	Net exposure	Total value adjustments
A. Cash exposure						
A.1 Non-performing loans	30.089	43.800	10.818	7.767	41.321	52.098
- of which: exposures subject to concessions	*2.054*	*440*	*0*	*0*	*2.054*	*440*
A.2 Probable Defaults	59.142	31.837	20.699	7.735	79.895	39.619
- of which: exposures subject to concessions	*30.25C*	*1S.217*	*12.C0S*	*5.23C*	*42.8C4*	*24.453*
A.3 Impaired Past Due Exposures	12.958	2.041	2.968	510	17.255	2.614
- of which: exposures subject to concessions	*182*	*24*	*2*	*0*	*1.50S*	*8C*
A.4 Non-impaired exposures	1.472.907	14.001	1.244.406	3.278	3.668.735	17.637

Exposures/Counterparts	Non-financial companies		Families		TOTAL	
	Net exposure	Value adjustments total	Net exposure	Value adjustments total	Net exposure	Total value adjustments
- of which: exposures subject to concessions	*2C.272*	*800*	*24.101*	*435*	*50.50S*	*1.235*
TOTAL A	**1.575.0G7**	**G1.67G**	**1.278.8G1**	**1G.2G0**	**3.807.206**	**111.G67**
B. Off-balance-sheet exposures						
B.1 Impaired exposures	11.764	2.119	865	0	12.628	2.119
B.2 Non-impaired exposures	744.833	263	89.902	11	925.422	276
TOTAL B	**756.5G7**	**2.382**	**G0.767**	**11**	**G38.050**	**2.3G4**
TOTAL (A+B) 31/12/2024	**2.331.6G4**	**G4.060**	**1.36G.658**	**1G.301**	**4.745.257**	**114.361**
TOTAL (A+B) 31/12/2023	**2.503.530**	**G3.08G**	**1.421.3G7**	**22.854**	**5.018.003**	**117.175**

B.2 Consolidated prudential - Geographical distribution of cash and off-balance sheet credit exposures to customers (balance sheet value)

Exposure/geographical areas	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	Net exposure	Total value adjustments ive	Net exposure	Total value adjustments ive	Net exposure	Total value adjustments ive	Net exposure	Total value adjustments ive	Net exposure	Total value adjustments ive
A. Cash exposures										
A.1 Non-performing loans	41.321	52.098	0	0	0	0	0	0	0	0
A.2 Probable Defaults	79.895	39.616	0	0	0	0	0	0	0	0
A.3 Past Due Exposures impaired	17.255	2.601	0	0	0	0	0	0	0	0
A.4 Non-exposure impaired	3.559.183	17.590	78.363	20	9.481	29	713	1	20.995	12
TOTAL (A)	**3.6G7.654**	**111.G04**	**78.363**	**20**	**G.481**	**2G**	**713**	**1**	**GG5**	**12**
B. Exhibitions 'outside budget'										
B.1 Impaired exposures	12.628	2.119	0	0	0	0	0	0	0	0
B.2 Non-exposure impaired	923.985	276	1.393	0	41	0	0	0	3	0
TOTAL (B)	**G36.614**	**2.3G4**	**1.3G3**	**0**	**41**	**0**	**0**	**0**	**3**	**0**
TOTAL (A+ B) 31/12/2024	**4.634.268**	**114.2G8**	**7G.756**	**20**	**G.522**	**2G**	**713**	**1**	**GG7**	**12**
TOTAL (A+ B) 31/12/2023	**4.G67.272**	**117.028**	**57.373**	**134**	**1.327**	**0**	**732**	**1**	**14.G75**	**12**

Exposure/geographical areas	TOTAL	
	Net exposure	Value adjustments total
A. Cash exposures		
A.1 Non-performing loans	41.321	52.098
A.2 Probable Defaults	79.895	39.616
A.3 Impaired Past Due Exposures	17.255	2.601
A.4 Non-impaired exposure	3.668.735	17.652
TOTAL (A)	**3.807.206**	**111.G67**
B. Off-balance-sheet exposures		
B.1 Impaired exposures	12.628	2.119
B.2 Non-impaired exposures	925.422	276
TOTAL (B)	**G38.050**	**2.3G4**
TOTAL (A+ B) 31/12/2024	**4.745.257**	**114.361**
TOTAL (A+ B) 31/12/2023	**4.745.257**	**114.361**

Notes

On-balance-sheet credit exposures in the table (3,807,206 mln.) are those valued in the balance sheet net of the debit balance and with evidence of total value adjustments.

In particular, all financial assets due from customers are reported under balance sheet items '20 - Financial assets at fair value through profit or loss', '30 - Financial assets at fair value through profit or loss' and '40 - Financial assets at amortised cost b) loans to customers'.

Excluded are equity securities and units in mutual funds amounting to 56,838 mgl. and securities issued by banks amounting to 19,167 mgl.

B.3 Prudential Consolidation - Geographical distribution of cash and off-balance sheet credit exposures to banks (balance sheet value) - Part 1

Exposure/geographical areas	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	Net exposure	Total value adjustments ive	Net exposure	Total value adjustments ive	Net exposure	Total value adjustments ive	Net exposure	Total value adjustments ive	Net exposure	Total value adjustments ive
A. Cash exposures										
A.1 Non-performing loans	0	0	0	0	0	0	0	0	0	0
A.2 Probable Defaults	0	0	0	0	0	0	0	0	0	0
A.3 Past Due Exposures impaired	0	0	0	0	0	0	0	0	0	0
A.4 Non-exposure impaired	199.770	12	77.653	25	2.018	0	20	0	6.785	0

Exposure/geographical areas	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	Net exposure	Total value adjustments ive	Net exposure	Total value adjustments ive	Net exposure	Total value adjustments ive	Net exposure	Total value adjustments ive	Net exposure	Total value adjustments ive
TOTAL (A)	**1GG.770**	**12**	**77.653**	**25**	**2.018**	**0**	**20**	**0**	**6.785**	**0**
B. Exhibitions 'outside budget'										
B.1 Impaired exposures	0	0	0	0	0	0	0	0	0	0
B.2 Non-exposure impaired	10.328	0	2.177	0	0	0	0	0	0	0
TOTAL (B)	**10.328**	**0**	**2.177**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL (A+ B) 31/12/2024	**210.0GG**	**12**	**7G.830**	**25**	**2.018**	**0**	**20**	**0**	**6.785**	**0**
TOTAL (A+ B) 31/12/2023	**374.253**	**202**	**60.357**	**25**	**2.408**	**0**	**178**	**0**	**12.2G2**	**0**

B.3 Prudential consolidation - Geographical distribution of cash and off-balance sheet credit exposures to banks (balance sheet value) - Part 2

Exposure/geographical areas	TOTAL	
	Net exposure	Value adjustments total
A. Cash exposures		
A.1 Non-performing loans	0	0
A.2 Probable Defaults	0	0
A.3 Impaired Past Due Exposures	0	0
A.4 Non-impaired exposure	286.246	37
TOTAL (A)	**286.246**	**37**
B. Off-balance-sheet exposures		
B.1 Impaired exposures	0	0
B.2 Non-impaired exposures	12.505	0
TOTAL (B)	**12.505**	**0**
TOTAL (A+ B) 31/12/2024	**2G8.751**	**37**
TOTAL (A+ B) 31/12/2023	**44G.488**	**227**

Notes

The amounts shown towards banks for cash (286,246 mln) are those in the balance sheet net of doubtful outcomes.

In particular, all financial assets due from banks are reported under balance sheet items '20 - Financial assets at fair value through profit or loss', '30 - Financial assets at fair value through profit or loss' and '40 Financial assets at amortised cost a) due from banks'.

Excluding equity securities and O.I.C.R. units amounting to 56,838 mgl., and securities issued by non-banking counterparties amounting to 327,420 mgl.

The data are distributed territorially according to the state of residence of the counterparty.

C. Securitisation Transactions

Information of a qualitative nature

Starting from the end of September 2023, Banca Cambiano is involved as Originator, Servicer and Junior Noteholder in the securitisation transaction "Pontormo SME 2023" (the "Transaction"), which uses, as a vehicle company, Pontormo SME 2023 s.r.l., a company whose exclusive purpose is to carry out one or more credit securitisation transactions and which is registered under No. 48473.3 in the list of vehicle companies kept by the Bank of Italy. In the following we will illustrate the purpose of the Pontormo SME 2023 transaction, the main features of the notes issued and a selection of quantitative information relating to the 2024 financial year.

Purpose and structure of Operation Pontormo SME 2023

The objective set by the Bank with the launch of the Transaction was to transform a part of the assets employed (loans granted to SMEs and assisted by the guarantee issued by the Central Guarantee Fund) into an ABS type note (Class A), which could contribute, through subscription of the same by a third party investor, to the lengthening and stabilisation of the liabilities, with benefits in terms of the NSFR indicator. The Transaction commenced with the signing of the sale agreement on 6 September 2023, through which the Bank sold a portfolio of loans that are characterised as loans identifiable in a block pursuant to the Securitisation Law, classified as "performing" in accordance with current supervisory regulations and deriving from loan agreements granted to SMEs and assisted by the guarantee issued by the Central Guarantee Fund for SMEs. Below are some of the main general eligibility criteria for assigned loans:

- Financing is denominated in euro;
- The loans benefit from a guarantee from the Fondo Centrale di Garanzia PMI, established pursuant to Article 2(100)(a) of Law No. 662 of 23 December 1996;
- Loans are disbursed to borrowers who, in accordance with the classification criteria adopted by the Bank of Italy in its Circular 140 of 11 February 1991 (as subsequently amended), are included in one of the following SAE (sector of economic activity) categories: SAE code 614 (excluding personal loans and residential home loans granted to natural persons), SAE code 615 (excluding personal loans and residential home loans

paid to natural persons), SAE code 430, SAE code 432, SAE code 450, SAE code 480, SAE code 481, SAE code SAE 482, SAE code 490, SAE code 491, SAE code 492;

- The loans have been fully disbursed, have no overdue and unpaid instalments, are variable-rate, and mature between the end of August 2026 and the end of August 2033;

- No person is an employee and/or director of the Bank is a shareholder of the Bank.

The Bank acts as Servicer of its portfolio transferred to the vehicle.

Q As consideration for the purchase of the loans, the SPV paid the Bank a price of EUR 122,376,127.21, corresponding to the outstanding debt of the transferred portfolio as of the reference date (31 August 2023). The purchase of the portfolio was financed by the SPV through the issue on 25 September 2023, pursuant to Articles 1 and 5 of the Securitisation Law, of the following classes of securities:

- Senior (Class 'A' security): EUR 100,000,000
- Junior (Class 'J' title): euro 24,627,000

The Senior security was subscribed by Banco BPM S.p.A, while the Junior security, which finances not only the purchase of the portion of the portfolio not covered by the proceeds of the Senior security but also the Cash Reserve, Retention Amount and expenses at the closing of the transaction, was subscribed by Banca Cambiano.

Subscriber	Isin	Class	Nominal at issue	Outstanding amount to 31.12.2024	Outstanding amount post redemption 27.01.2025
Banco BPM S.p.A	IT0005562597	Class A	100.000.000	66.314.091	58.494.647
Cambiano Bank	**IT0005562613**	**Class J**	**24.627.000**	**24.627.000**	**24.627.000**

The securities are all managed in dematerialised form at Monte Titoli S.p.A. and neither is listed nor rated. The Senior security bears interest at a variable interest rate indexed to the 3-month Euribor plus a spread of 1.25%, while the Junior security, on the other hand, has no fixed coupon and will not receive any flow until the Senior security is fully redeemed. Put another way, until the Senior security is fully repaid, all flows from the portfolio in excess of the payment of fees and interest on the Class A security are used to repay the principal of the latter. All payments on the transaction (fees, interest and principal) are paid quarterly (on the 25th of January, April, July and October).

Below are the characteristics of the securities issued:

Class A
Currency: Euro
Amount at Issue: 100,000,000
Rate: Euribor 3M+ spread 1.25% (floor at 0% on finished rate)
Coupon: quarterly Legal
maturity: July 2043
Repayment: amortisation linked to recoveries on underlying receivables
Rating as at 31.12.2024: non-returned
Quotazione: unlisted ISIN:
IT0005562597
Applicable law: Italian law.
Underwriter: Banco BPM S.p.A

Class J
Currency: Euro
Amount at Issue: 24,627,000
Rate: additional yield (only upon redemption of the senior bond) Coupon: quarterly
(only upon redemption of the senior bond)
Legal term: July 2043
Repayment: amortisation linked to recoveries on the underlying loans (only when the senior bond has been repaid)
Rating as at 31.12.2024: unlisted Q
Listing: unlisted
ISIN: IT0005562613
Applicable law: Italian law Underwriter:
Banca Cambiano

Junior securities include in their amount:

- a cash reserve ("Cash Reserve Amount") equal to 2% of the nominal amount of the Senior Note issued, i.e. equal to euro 2.000.000. Neither a depreciation of the cash reserve nor its possible use is envisaged, which therefore remains in the vehicle in liquid form, contributing, where necessary, to the amount of the available funds (and thus constituting a guarantee in favour of the Senior Noteholder).

- the sum necessary to set up an expense reserve ("Retention Amount") of EUR 20,000. This is an expense fund at the disposal of the vehicle set up by the facility to meet the vehicle's operating costs. At each quarterly settlement, on the basis of the costs incurred and documented, this account/expense fund will be replenished until it reaches the predetermined amount of euro 20,000.00.
- the costs of structuring the Transaction (EUR 230,570.46).

At the closing date of the transaction, the flows involving Banca Cambiano were:

- Inflows of EUR 100,000,000 as consideration for transfer of the portfolio to the SPV (the consideration for the remaining component of the transferred portfolio was offset through the subscription of the Junior Note);
- Outflow of EUR 2,250,872.79 to finance the cash reserve (EUR 2,000,000) and the expenditure reserve (EUR 20,000) and to cover costs at closing (EUR 230,872.79, including rounding).

Selected quantitative information as at 31/12/2024

Below is a selection of some of the key quantitative information concerning the transaction in examination. Values, unless otherwise specified, are in euro units and refer to 31 December 2024.

Securitised Assets

Securitised loans at the end of 2024 are equal to the purchase price of securitised loans, net of amounts to be received for collections pertaining to the year, but not yet transferred by the Servicers, and increased by interest accrued and due as at 31 December 2024.

	31/12/2024
Securitised performing loans	82.773.731
Overdue interest receivables not yet collected	65.077
Total	**82.838.808**

The following table shows the securitised assets outstanding as at 31 December 2024, classified according to their residual life.

	Balance as at 31/12/2024	Incidence %
Up to 3 months	0,00	0,00%
3 to 6 months	0,00	0,00%
6 to 12 months	6.137	0,01%
From 12 to 60 months	63.089.352	76,22%
More than 60 months	19.678.242	23,77%
Total	**82.773.731**	**100,00%**

Lastly, the degree of portfolio breakdown as at 31 December is shown by category
2024

	Number of positions	Balance as at 31/12/2024
Up to 25,000	257	4.266.863
From 25,000 to 75,000	385	17.136.488
From 75,000 to 250,000	295	38.596.466
Over 250,000	54	22.773.914
Total	**GG1**	**82.773.731**

Use of availability

Description	31/12/2024
Cash at BNY account no. 6988649780 (Expenses Acc.)	14.831
Cash at BNY account no. 6988619780 (Cash Reserve Acc.)	2.011.510
Cash at BNY account no. 6988639780 (Payment Acc.)	1.898
Cash at BNY account no. 6988629780 (Collection Acc.)	8.598.849
Receivables from Servicers for collections to be received	12.137
Accrued interest income on securitised loans	406.479
Withholding tax credits on bank interest income	117.077
Total	**11.162.780**

Interest on securities issued (accrual basis)

	31/12/2024
Interest expenses on Class A securities	4.091.242
Additional return	1.753.186

Fees and commissions charged to the operation

During the financial year 2024, the commissions and fees charged to the operation consisted of the items detailed in the following table:

Description	31/12/2024
Servicing fees (Banca Cambiano)	106.254
Computation Agent Fees	25.135
Sub Computation Agent Fees	1.297
Back Up Servicer Fees	15.518
Compensation Representative of the Noteholders	8.540
Compensation Account Bank, Cash Manager, Principal Paying Agent	9.000
More	52.999
Total	**218.743**

Interest generated by securitised assets

The total portfolio of securitised loans accrued the following amounts of interest on 31 December 2024:

	31/12/2024
Interest on securitised loans	5.675.797
Early termination penalties	27.681
Other income	359.693
Total	**6.063.171**

INDICATION OF SIGNED CONTRACTS

In order to implement the Securitisation Transaction, it was necessary to enter into the following with various counterparties contractual documentation:

- "Sale Agreement", by virtue of which the Company acquired the loan portfolio from Banca Cambiano for consideration, en bloc and without recourse;
- "Guarantee and Indemnity Agreement", pursuant to which the Bank has made certain representations and warranties, given certain indemnities, and assumed certain indemnity obligations in relation to the Receivables and their assignment to the Company;
- "Servicing Agreement", whereby the Company appointed Banca Cambiano as the entity responsible for the administration, management, collection, recovery and collection of the relevant Receivables (including, for the sake of clarity, any non-performing receivables);
- "Administrative Services Contract", whereby the Company assigned to KPMG Fides Servizi di Amministrazione S.p.A. the position of Director of Corporate Activities;
- "Stichting Administrative Services Agreement" (Stichting Corporate Services Agreement);
- "Back-up Servicing Agreement", whereby the Company appointed Zenith Service S.p.A. to act as back-up servicer, i.e., to act as a replacement for the Servicer in the event of the revocation of Banca Cambiano's appointment as Servicer under the Servicing Agreement;
- "Cash Allocation, Management and Payment Agreement" between the Company, Banca Cambiano, The Bank of New York Mellon SA/NV - Milan Branch, Zenith Service S.p.A., KPMG Fides Servizi di Amministrazione S.p.A. and ICS Crediti e Partecipazioni S.r.l;
- "Intercreditor Agreement" between, inter alios, the Company, Banca Cambiano, The Bank of New York Mellon SA/NV - Milan Branch, Zenith Service S.p.A., KPMG Fides Servizi di Amministrazione S.p.A. and ICS Crediti e Partecipazioni S.r.l;
- "Senior Notes Subscription Agreement" between the Company, KPMG Fides Servizi di Amministrazione S.p.A., Bank Cambiano, Banco BPM S.p.A and Banca Akros S.p.A.;
- "Junior Notes Subscription Agreement" between the Company, KPMG Fides Servizi di Amministrazione S.p.A. and Banca They change;
- "Shareholders' Agreement" between the Company, Stichting Ursa Major and ICS Crediti e Partecipazioni S.r.l;
- "Mandate Agreement" between the Company and KPMG Fides Servizi di Amministrazione S.p.A.
- "Information Memorandum.

PARTIES INVOLVED IN THE OPERATION

The parties involved in different capacities in the transaction are set out in the table below.

Issuer/Purchaser of claims

Pontormo SME 2023 Srl, a limited liability company incorporated pursuant to Article 3 of Law 130/99, tax code, VAT number and Company Registry No. 17249061007, fully paid-up share capital of € 10,000, registered in the List of securitisation vehicle companies held by the Bank Italy pursuant to Order No. 48473.3 of 7 June 2017, whose registered office is located in Rome, via Curtatone 3.

Originator / Servicer

Banca Cambiano 1884 S.p.A., a bank incorporated in Italy as a joint-stock company, registered under number 5667 in the Register of Banks kept by the Bank of Italy pursuant to Article 13 of the Consolidated Banking Law, with registered office in Viale Antonio Gramsci, 34 - 50132 Florence ("Banca Cambiano").

Account Bank / Paying Agent

The Bank of New York Mellon SA/NV, Milan Branch, a company incorporated under the laws of Belgium, operating through the its subsidiary located at 13, Via Mike Bongiorno, 20124, Milan, Italy, ('BNYM').

Corporate Services Provider / Representative of the Noteholders / Back-up Calculation Agent
KPMG Fides Servizi di Amministrazione SpA, a joint-stock company incorporated in Italy, registered with the Companies' Register of Milan, Italy, under No. 00731410155, with its registered office in Via Vittor Pisani 27, Milan (MI), Italy, operating through its office in Rome, Via Curtatone, 3 ("KPMG").

Calculation Agent
ICS Crediti e Partecipazioni S.r.l, a limited liability company, registered with the Companies' Register of Parma under No. 03746101207, with registered office in Borgo della Salnitrara 3, Parma, Italy, and operating through its operational office in Bologna, Via G. Mezzofanti, 5 ('ICS').

Stichting Corporate Services Provider
MCG Trustee Company Limited, a company incorporated under the laws of England and Wales, having its registered office at 10 Fenchurch Avenue, London, EC3M 5AG.

Back-up Servicer
Zenith Service S.p.A, a joint-stock company, registered with the Companies' Register of Milan - Monza - Brianza - Lodi at No. 02200990980, with registered office at Corso Vittorio Emanuele II, 24/28, Milan, Italy and registered under No. 32590.2 of the Financial Intermediaries pursuant to Article 106 of the Consolidated Banking Act ("Zenith").

Quotaholders
(i) Stichting Ursa Major, a foundation under Dutch law with its registered office at Locatellikade, 1, 1076 AZ, Amsterdam (The Netherlands), registered in the Amsterdam Commercial Register under number 865414038, and (ii) ICS.

Arranger
Banca Akros SpA, a bank incorporated in Italy as a joint-stock company, registered office at Viale Eginardo 29, 20149 Milan, Italy, fully paid-up share capital of€ 39,433.803, registered with Companies' Register of Milan number 03064920154 and with the Register of Banks kept by the Bank of Italy under number 5328, a member of the "Banco BPM" banking group, subject to the management and coordination ("management and coordination activities"), of Banco BPM, authorised carry out activities in Italy pursuant to the Consolidated Banking Act ("Banca Akros").

Legal Advisor
(i) Orrick, Herrington C Sutcliffe and (ii) Chiomenti.

ALLOCATION OF FLOWS FROM THE PORTFOLIO
The following is a schematic summary of the allocation of cash flows from assigned receivables. It should be noted that the items described in the order of payment shown have a scalar and priority nature, in that they are only satisfied if sufficient funds remain after the previous item has been paid:

i. all taxes and expenses necessary to preserve the existence of the Issuer;
ii. the amount necessary to ensure that the credit balance of the Expenses Account on the Payment Date is equal to the Retention Amount;
iii. fees, expenses and all other amounts due and payable to the counterparties to the Transaction, including commissions to be paid to the Servicer for its activities in the management of securitised loans;
iv. interest due and payable on the Class A Senior Note;
v. the amount necessary for the balance of the Cash Reserve Account to equal the Cash Reserve Amount;
vi. only on the first payment date, the amount of accrued income to be paid to the Originator;
vii. until the Senior Note is repaid in full, the funds remaining after payment of the items above reported are fully utilised to repay the principal of the Senior Class A Security;
viii. Any indemnities due and payable to Arrangers and Senior Noteholders;
ix. Any other amounts due to the counterparties to the Transaction, to the extent that they have not been paid at the points precedents;
x. Repayment of principal Junior Class J Security;
xi. Possible Additional Return on the Junior Class J security.

Quantitative information

C.1 Prudential Consolidation - Exposures arising from the main 'own' securitisation transactions broken down by type assets securitised and by exposure type - Part 1

Type of securitised assets/exposures	Cash exposures					
	Senior		Mezzanine		Junior	
	Value of budget	Rectif./repr. of value	Value of budget	Rectif./repr. of value	Value of budget	Rectif. of value
C. Not removed from the balance sheet						

Type of securitised assets/exposures	Cash exposures					
	Senior		Mezzanine		Junior	
	Value of budget	Rectif./repr. of value	Value of budget	Rectif./repr. of value	Value of budget	Rectif. of value
C.1 Financing	59.914	-628	0	0	22.250	-233

C.1 Prudential Consolidation - Exposures arising from the main 'own' securitisation transactions broken down by type securitised assets and by exposure type - Part 2

Type of securitised assets/exposures	Guarantees Issued					
	Senior		Mezzanine		Junior	
	Exposure net	Rectif./repr. of value	Exposure net	Rectif./repr. of value	Exposure net	Rectif./repr. of value
C. Not removed from the balance sheet						
C.1 Financing	0	0	0	0	0	0

C.1 Prudential Consolidation - Exposures arising from the main 'own' securitisation transactions broken down by type securitised assets and by exposure type - Part 3

Type of securitised assets/exposures	Credit Lines					
	Senior		Mezzanine		Junior	
	Exposure net	Rectif./repr. of value	Exposure net	Rectif./repr. of value	Exposure net	Rectif./repr. of value
C. Not removed from the balance sheet						
C.1 Financing	0	0	0	0	0	0

C.4 Prudential Consolidation - Securitisation SPVs

Securitisation Name/Company Name vehicle	Registered office	Consolidation	Activities			Liabilities		
			Credits	Titles of debt	More			
PONTORMO SME 2023 SRL	Rome - Via Curtatone 3	NO	8.568	0	0	0	0	0

C.5 Servicer activities - own securitisation: Collections of securitised loans and redemptions of securities issued by the special purpose vehicle

Vehicle company	Securitised Assets (end-of-period figure)		Credit collections achieved in the year		Qpercentage of securities redeemed (end-of-period figure)					
					Senior		Mezzanine		Junior	
	Deteriorate	In bonis	Deteriorate	In bonis	Impaired Assets	Perform ing assets	Impaired Assets	Activities in bonis	Impaired Assets	Perform ing assets
Pontormo Funding s.r.l.	0	0	0	341	0	0	0	0	0	0

DISCLOSURE ON SELF-SECURITISATION TRANSACTIONS - PONTORMO RMBS 2017

Since the end of November 2017, Banca Cambiano has been involved as Originator, Servicer and Noteholder in securitisation transaction "Pontormo RMBS 2017" (the "Transaction"), which uses, as a special purpose vehicle, Pontormo RMBS s.r.l., a company whose exclusive purpose is to carry out one or more credit securitisation transactions and which is registered under no. 35038.9 in the List of securitisation special purpose vehicles. During the second half of 2019, the Transaction underwent a restructuring (the "Restructuring"), which took the form, in short, of the sale of a second loan portfolio by Banca Cambiano and the simultaneous issuance of two additional bonds, a senior and a junior bond, at the same rate as the bonds of the same grade issued previously. During the month of October 2024, the Transaction underwent a "Partial Unwinding" process, which resulted in (i) the exit from the Transaction of the other participating bank (Banca di Pisa e Fornacette Credito Cooperativo, "Banca di Pisa e Fornacette") through the repurchase of its own portfolio and the consequent repayment of the securities it had subscribed to, and (ii) a review of the structure of the Transaction, necessary to incorporate the transition from a "multi-originator" to a "single-originator" transaction. As part of the Partial Unwinding, whose costs were entirely borne by Banca di Pisa e Fornacette, the Rating Agencies (SCP and Fitch) confirmed the AA rating of the securities subscribed by Banca Cambiano. The purpose of the Pontormo RMBS 2017 transaction, the main features of the Notes issued, a selection of quantitative information relating to the 2024 financial year, and a description of the accounting treatment in the Bank's financial statements will be illustrated below.

Purpose and structure Operation Pontormo RMBS 2017

The objective set by the Bank with the launch of the Transaction was to transform part of the assets employed (the residential mortgages) into an ABS-type note (Pontormo RMBS Class A) to be used in a series of activities aimed at further optimising any liquidity needs, in particular:

- to raise short/medium-term liquidity through Eurosystem operations;
- raising medium-term liquidity with Private REPOs (2-3 years);
- finalise refinancing transactions on the Intermobile Collateralised Market (New Mic);
- where the market opportunity presents itself, and consistent with the bank's weighted average funding cost, sell the known ABS on the market.

The Transaction resulted in the obtaining of an ABS instrument (with underlying mortgages disbursed by the Bank) with a high credit standing: at the time of issuance, in fact, the Note had an AA rating for SCP and AA- for FITCH, at higher levels than the Italian sovereign debt rating (which at the same time stood at Baa2 for Moody's, BBB for SCP and BBB for Fitch). On 23 October 2018, Fitch revised upwards the rating of the class 'A' bonds from AA- (rating at issuance) to AA, the highest rating obtainable for Italian structured finance transactions. On the occasion of the 2019 Restructuring, both rating agencies confirmed the AA rating for the senior note issued in 2017 and assigned the same rating to the new senior note issued as part of the Restructuring. At the end of April 2020, following the downgrade by Fitch of Italy's rating, the agency downgraded the rating of the senior notes in question to AA- (the agency's policy envisages a maximum rating on structured finance transactions equal to 6 notches above the sovereign rating of reference, so the downgrade of the notes is solely due to the lowering of the sovereign rating). In December 2021, following the upgrade of Italy's rating, Fitch revised the rating of the senior notes in question upward to AA. As anticipated, as part of Partial Unwinding of October 2024, both rating agencies confirmed the AA rating of the securities underwritten by Banca Cambiano, which therefore continue retain all the characteristics described above. The transaction made it possible to transform a part of the Bank's assets, otherwise illiquid (the mortgage portfolio), into a financial instrument (the two senior notes) that is rated, transparent, eligible at the Central Bank and potentially negotiable.

The transaction under review originated as a "multi-originator" transaction, originated by Banca Cambiano together with Banca di Pisa e Fornacette. With an initial sale agreement signed on 14 November 2017, each bank sold a portfolio of loans (separate and independent from other) that were characterised as loans identifiable a block pursuant to the Securitisation Law, classified as "in bonis" in accordance with current supervisory regulations and deriving from land and mortgage loan contracts backed by voluntary mortgages on real estate. As part of the Restructuring, each bank then sold a second portfolio of mortgages, according to the same procedures just described, always separate and independent from the other. Below are some of the main general criteria for the eligibility of the transferred mortgages, valid for both assignments:

- The loans are denominated in euro;
- Loans granted to natural persons resident in Italy who, in accordance with the classification criteria adopted by the Bank of Italy in its Circular 140 of 11 February 1991 (as subsequently amended), are included in one of the following SAE (sector of economic activity) categories: No 600 ('consumer households'); No 614 ('artisans') or No 615 ('producer households');
- Mortgages secured by a mortgage on one or more immovable property located in the Italian territory and in relation to which the immovable property on which the mortgage is secured (or, in the case of one or more mortgages on more than one immovable property securing the same mortgage, the Predominant Immovable Property) is a residential immovable property;
- No borrower is an employee, director, auditor or manager of the Bank;
- No borrower is a public administration or similar body, or a company directly or indirectly controlled by a public administration, or a religious or ecclesiastical body.

The originator banks served (and Banca Cambiano still serves) as servicer of their portfolios transferred to the vehicle.

Q As consideration for the purchase of the receivablesSPV paid the assigning banks a price of €695,618,219.29 in connection with the first assignment and of €447,699,408.76 in connection with the second assignment, corresponding to the aggregate sum of the individual purchase prices of the receivables assigned from time to time, as specified below:

- First assignment - Banca di Pisa e Fornacette: 232,893,077.48 euro;
- **First assignment - Banca Cambiano: Euro 462,725,141.81;**
- Second assignment - Banca di Pisa e Fornacette: EUR 160,485,163.54;
- **Second assignment - Banca Cambiano: Euro 287,214,245.22.**

The purchase of the first portfolio was financed by the SPV through issue on 27 November 2017, pursuant to the Articles 1 and 5 of the Securitisation Law, of the following classes of securities:

Senior - (Class 'A' securities)

- Euro 181,656,000 Class A1-2017;
- **Euro 360,G25,000 Class A2-2017;**

Junior - (Class 'B' securities)

- Euro 54,137,000 Class B1-2017;
- **Euro 107,562,000 Class B2-2017.**

Similarly, the second loan portfolio transferred as part of the Restructuring was financed through the issuance of the following bonds on 6 December 2019:

Senior - (Class 'A' securities)

- Euro 157,866,000 Class A1-2019;

- **Euro 285,773,000 Class A2-201G;**

Junior - (Class 'B' securities)
- Euro 3,380,000 Class B1-2019;
- **Euro 1,330,000 Class B2-201G.**

Subscriber	Isin	Class	Senior Tranching	Rating at issue	Rating as at 31.12.2024	Nominal	Outstanding amount as at 31.12.2024	Outstanding amount post redemption 27.01.2025
Bank of Pisa and Fornacette	IT0005315210	Class A1 - 2017	84,00%	AA / AA-	Refunded			
Bank of Pisa and Fornacette	IT0005391237	Class A1 - 2019	84,00%	**AA / AA**	Refunded			
Cambiano Bank	**IT0005315228**	**Class A2 - 2017**	**84,00%**	**AA / AA-**	AA / AA	360.925.000	86.610.497	85.409.342
Cambiano Bank	**IT00053G1245**	**Class A2 - 201G**	**84,00%**	**AA / AA**	AA / AA	285.773.000	108.442.555	106.938.406
		Class A Notes	**84,00%**			**646.6G8.000**	**1G5.053.052**	**1G2.347.748**
Bank of Pisa and Fornacette	IT0005315236	Class B1 - 2017	16,00%		Refunded			
Bank of Pisa and Fornacette	IT0005391252	Class B1 - 2019	16,00%		Refunded			
Cambiano Bank	**IT0005315244**	**Class B2 - 2017**	**16,00%**			107.562.000	107.562.000	107.562.000
Cambiano Bank	**IT00053G1260**	**Class B2 - 201G**	**16,00%**			1.330.000	1.330.000	1.330.000
		Class B Notes	**16,00%**			**108.8G2.000**	**108.8G2.000**	**108.8G2.000**

The Class "A" notes are listed on the Irish Stock Exchange, while the Class "B" notes are neither nor rated. The Senior notes bear interest at a variable interest rate indexed to the Euribor per month (with floor at 0% and cap equal to 3.50% for Class A1 notes and 3.52% for Class A2 notes) plus a spread equal to 0.45%; the Junior notes, on the other hand, do not have a fixed coupon and receive flows other than principal and due on a first-come, first-served basis. Interest and income on the securities are paid monthly on the 25th of each month.

The securities subscribed by Banca Cambiano are classes A2 (senior) and B2 (junior). The characteristics of these securities are set out below:

Class A2-2017
Currency: Euro
Amount at Issue: 360,925,000
Rate: Euribor 1M (floor at 0% and Cap 3.52%)+ spread 0.45%.
Coupon: monthly
Legal term: May 2060
Repayment: amortisation linked to recoveries on underlying loans Rating as at 31.12.2023: AA by SCP, AA by Fitch Q Listing: Irish Stock Exchange
ISIN: IT0005315228
Applicable law: Italian law.
Underwriter: Banca Cambiano.

Class A2-2019
Currency: Euro
Amount at Issue: 285,773,000
Rate: Euribor 1M (floor at 0% w Cap 3.52%)+ spread 0.45%
Coupon: monthly
Legal term: May 2060
Repayment: amortisation linked to recoveries on underlying loans Rating as at 31.12.2023: AA by SCP, AA by Fitch Q Listing: Irish Stock Exchange
ISIN: IT0005391245
Applicable law: Italian law.
Underwriter: Banca Cambiano.

Class B2-2017
Currency: Euro
Amount at Issue: 107,562,000 Rate: N.D.
Coupon: monthly
Legal term: May 2060
Repayment: amortisation linked to recoveries on underlying loans Rating: Unrated
Q Listing: Not listed on a regulated market

ISIN: IT0005315244
Applicable law: Italian law.
Underwriter: Banca Cambiano.

Class B2-2019
Currency: Euro
Amount at Issue: 1,330,000 Rate: N.D.
Coupon: monthly
Legal term: May 2060
Repayment: amortisation linked to recoveries on underlying loans Rating:
Unrated
Quotazione: Not listed on a regulated market ISIN:
IT0005391260
Applicable law: Italian law.
Underwriter: Banca Cambiano.
The securities are all managed dematerialised form at Monte Titoli S.p.A.

Junior securities include in their amount:

- a cash reserve amount ("Cash Reserve Amount") equal 1.50 per cent. of the nominal amount of the Senior Notes issued at the time of the
Restructuring, or EUR 7,688,433;
- the sum necessary to build up the expense reserve (Retention Amount) that the time of issue
corresponds to a quota of Euro 53,216 for Banca Cambiano;
- the expenses for structuring the Transaction (Euro 294,727.31 pertaining pro rata to Banca Cambiano) and the expenses for Restructuring (Euro 246,905.34 pertaining pro rata to Banca Cambiano).

The cash reserve constitutes a guarantee in favour of the Senior noteholders (which in this case coincide with the originators, and therefore implicitly constitutes a guarantee also in favour of Banca Cambiano, which is the holder of the "A2" classes). There is also an amortisation of the cash reserve (subject to the amount of funds available), which is gradually returned to the relevant bank based on the amortisation of the respective Senior Notes, until a defined minimum level is reached (0.8% of the nominal amount of the Senior Notes at the time of the Restructuring). There are currently no plans utilise the cash reserve, which therefore remains in the availability of the vehicle in liquid form, contributing, where necessary, to the amount of funds available.

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Cash Reserve Amount	Reserve at issue	Reserve outstanding at 31.12.2024
Banca Cambiano Cash Reserve Amount	7.688.433	4.144.473

The Retention Amount is in fact an expense fund at the vehicle's disposal set up by the structure to meet the vehicle's operating costs. At each monthly settlement, on the basis of the costs incurred and documented, this account/expense fund will be replenished to the pre-determined amount EUR 53,216.The securities are reimbursed to coincide with the interest payment dates, based on the recoveries of the underlying receivables, the funds available and order of priority of payments (illustrated below). The interest period runs from one payment date (inclusive) to the next payment date (exclusive), and interest is calculated on the basis of the actual number of days elapsed divided by 360. Class "A" securities have characteristics such that they can be used for financing transactions with the European Central Bank.

Selected quantitative information as at 31/12/2024
Below is a selection of some of the key quantitative information concerning the transaction in
examination. Values, unless otherwise specified, are in euro units and refer to 31 December 2024.

Securitised Assets
Self-securitised loans at the end of 2024 are equal to the purchase price of the same, net of amounts to be received for collections accrued from the date of sale to 31 December 2024, but not yet transferred by the Servicers, and increased by interest accrued and due as at 31 December 2024.

	31/12/2024
Securitised performing loans	291.025.817
Overdue interest receivables not yet collected	77.357

	31/12/2024
Total	**2G1.103.174**

The characteristics of the assets sold by Banca Cambiano are as follows:

	31/12/2024
Residual Capital	291.025.817
Number of Mortgages	4.640
Average remaining life (years)	13,45
Weighted average rate	3,91%
Average loan amount	62.721,08
Current LTV	64,89%

The following table shows the securitised assets outstanding as at 31 December 2024, classified according to their residual life:

	Balance as at 31/12/2024	Incidence %
Up to 3 months	105.791	0,04%
3 to 6 months	166.820	0,06%
6 to 12 months	540.126	0,19%
12 to 60 months	21.018.479	7,22%
More than 60 months	269.194.600	92,50%
Total	**2G1.025.817**	**100,00%**

Lastly, the degree of portfolio breakdown as at 31 December is shown by category
2024:

	Number of positions	Balance as at 31/12/2024
Up to 25,000	1.213	16.194.752
From 25,000 to 75,000	1.977	94.699.984
From 75,000 to 250,000	1.399	161.467.174
Over 250,000	51	18.663.907
Total	**4.640**	**2G1.025.817**

Use of availability

Description	31/12/2024
Cash at BNY account no. 6983879780 (Expenses Acc.)	62.720
Cash at BNY account no. 6983899780 (Banca Cambiano Transitory CR Acc.)	678.814
Liquidity at BNY c/c no. 6983919780 (BCC Pisa e Fornacette Transitory CR Acc.)	0
Cash at BNY account no. 6983989780 (General Acc.)	2.868.636
Cash at BNY account no. 6983999780 (Banca Cambiano Cash Reserve Acc.)	4.155.227
Cash at BNY c/c no. 6984009780 (BCC Pisa e Fornacette Cash Reserve Acc.)	0
Cash at BNY account no. 6983929780 (Payment Acc.)	5.955
Cash at BNY account no. 6983939780 (Banca Cambiano Suspension Acc.)	179.177
Cash at BNY c/c no. 6983949780 (BCC Pisa e Fornacette Suspension Acc.)	0
Receivables for the result of the operation	2.272.598
Receivables from Servicers for collections to be received	47.305
Accrued interest income on securitised loans	2.521.702
Prepaid expenses	32.158
Withholding tax credits on bank interest income	356.760
Total	**13.181.052**

Interest on securities issued (accrual basis)

	31/12/2024
Interest expenses on Class A securities	12.171.938
Interest expenses on Class B securities	6.109.441

Fees and commissions charged to the operation

During financial year 2024, the commissions and fees charged to operation consisted of the items detailed in the following table:

Description	31/12/2024
Servicing fees (Pisa Bank)	66.744
Servicing fees (Banca Cambiano)	**158.333**
Computation Agent Fees	22.683
Sub Computation Agent Fees	1.533
Listing Agent Fees	3.840
Compensation Representative of the Noteholders	10.725
Compensation Account Bank, Cash Manager, Principal Paying Agent	16.543
More	339.136
Total	**61G.537**

Interest generated by securitised assets

The total portfolio of self-securitised loans accrued the following amounts of interest on 31 December 2024:

	31/12/2024
Interest on securitised loans	17.979.217
Early termination penalties	199.082
Other income	722.617
Total	**18.G00.G16**

INDICATION OF SIGNED CONTRACTS

In order to implement the Securitisation Transaction and the subsequent Restructuring, the following contractual documentation had to be signed with various counterparties:

i. No. 4 "Transfer Agreements" (two during the structuring of the Transaction and two during the Restructuring) under which the Company acquired from Banca di Pisa e Fornacette and Banca Cambiano for valuable consideration, en bloc and without recourse, the respective credit portfolios;
ii. No. 2 "Guarantee and Indemnity Agreements" (one at the time of structuring of the Transaction and one at the time of the Restructuring) pursuant to which each Transferor Bank made certain representations and warranties, provided certain indemnities, and undertook certain indemnification obligations in relation to the relevant Receivables and their assignment to the Company;
iii. "Servicing Agreement" (as amended and supplemented during the Restructuring by the "Servicing Agreement Amendment Agreement"), whereby the Company appointed each Transferor Bank as the entity responsible for the administration, management, collection, recovery and collection of the related Receivables (including, for the sake of clarity, any non-performing receivables);
iv. "Administrative Services Agreement", whereby the Company appointed CH S.p.A. S.p.A. as Administrator of the Corporate Activities;
v. "Stichting Administrative Services Agreement" (Stichting Corporate Services Agreement);
vi. "Back-up Servicing Agreement", whereby the Company entrusted the back-up servicers with the task of acting as substitutes of the Servicer in the event of revocation of the appointment of Banca di Pisa e Fornacette or Banca Cambiano as Servicer pursuant to the Servicing Agreement;
vii. "Cash Administration and Agency Agreement" among, inter alios, the Company, the Transferor Banks, The Bank of New York Mellon SA/NV - Milan Branch, Invest Banca S.p.A., KPMG Fides Servizi di Amministrazione S.p.A. and CH S.p.A. S.p.A;
viii. "Intercreditor Agreement" between, inter alios, the Company, the Transferor Banks, The Bank of New York Mellon SA/NV - Milan Branch, Invest Banca S.p.A., KPMG Fides Servizi di Amministrazione S.p.A. and CH S.p.A. S.p.A.;
ix. "Notes Subscription Agreement" between the Company, KPMG Fides Servizi di Amministrazione S.p.A., Banca di Pisa and Fornacette, Banca Cambiano and Banca Akros S.p.A.;
x. "Quotaholder's Agreement" between the Company, CH S.p.A. S.p.A., Stichting Muitenburg and KPMG Fides Servizi di Administration S.p.A.;
xi. No. 2 "Written Resolutions", through which the Noteholders approved the Restructuring of the Transaction, authorising the RON and the Company to take the necessary actions for its completion;
xii. "Amendment Agreement", signed by all parties involved in the Transaction, in which the amendments to the previously signed agreements necessary to allow the Restructuring of the Transaction are made.
xiii. "Offering Circular" (including the settlement of the Securities).

As part of the Partial Unwinding and the subsequent adjustment of the structure, the following contracts were signed by the various counterparties:

i. "Written Resolution, by which the security holders and the RON approved Partial Unwinding and the subsequent adaptation of the structure;
ii. 'Repurchase Agreement', by which Banca di Pisa e Fornacette repurchased its ;
iii. "Termination Agreement", in which all counterparties agreed upon the payments to be made in the context of the early redemption of the securities subscribed by Banca di Pisa e Fornacette, which renounced all its roles in the Transaction;
iv. A new 'Back-up Servicing Agreement', whereby Blue Factor S.p.A. was appointed Back-up Servicer of the Operation;
v. A new 'Administrative Services Contract', whereby the Company appointed KPMG Fides Servizi di Amministrazione as Administrator of the Corporate Activities (replacing CH S.p.A.);
vi. "General Amendment Agreement", in which the various contracts of the Transaction were amended to incorporate the Partial Unwinding and the subsequent adjustment of the structure. It also includes the appointment of ICS Crediti e Partecipazioni S.r.l. as the new Computation Agent (replacing CH S.p.A.).

PARTIES INVOLVED IN THE OPERATION

The parties involved in different capacities in the transaction are set out in the table below.

Issuer/Buyer of receivables

Pontormo RMBS Srl, a limited liability company incorporated pursuant to Article 3 of Law 130/99, tax code, VAT no. and Company Register no. 06272000487, fully paid-up share capital of€ 10,000, registered in the List of securitisation vehicle company held by the Bank Italy pursuant to Order No. 35039.9 of 7 June 2017, whose registered office is in Empoli (FI), via Cherubini 99.

Transferor / Servicer
Banca Cambiano 1884 S.p.A., a bank incorporated in Italy as a joint-stock company, enrolled in the Register of Banks kept by the Bank Italy pursuant Article 13 of the Consolidated Banking Law under No. 5667, with registered office in Viale Antonio Gramsci, 34 - 50132 Florence ("Banca Cambiano").

Agent Bank / Transaction Bank / Paying Agent
The Bank of New York Mellon SA/NV, Milan branch, a company incorporated under the laws of Belgium, operating through the its subsidiary located at 13, Via Mike Bongiorno, 20124, Milan, Italy, ('BNYM').

Operating Bank
Banca Cambiano 1884 S.p.A., a bank incorporated in Italy as a joint-stock company, enrolled in the Register of Banks kept by the Bank Italy pursuant Article 13 of the Consolidated Banking Law under No. 5667, with registered office in Viale Antonio Gramsci, 34 - 50132 Florence ("Banca Cambiano").

Representative of the Noteholders / Corporate Services Provider / Back-up Computation Agent
KPMG Fides Servizi di Amministrazione SpA, a joint-stock company incorporated in Italy, registered with the Register of Companies of Milan, Italy, under No. 00731410155, with its registered office Via Vittor Pisani 27, Milan (MI), Italy, operating through its office in Rome, at Via Eleonora Duse, 53 ("KPMG").

Computation Agent
ICS Crediti e Partecipazioni S.r.l, a limited liability company, registered with the Companies' Register of Parma under No. 03746101207, with registered office in Borgo della Salnitrara 3, Parma, Italy, and operating through its operational office in Bologna, Via G. Mezzofanti, 5 ('ICS').

Quotaholders
(i) Stichting Muitenburg, a foundation under Dutch law with its registered office at Hoogoorddreef 15, 1101BA, Amsterdam (The Netherlands), registered in the Amsterdam Commercial Register under 55248780, and (ii) CH S.p.A.

Rating Agencies
Fitch Italia S.p.A. ('Fitch') and SCP Global Ratings Italy S.R.L. ('SCP').
Arranger
Banca Akros SpA, a bank incorporated in Italy as a joint-stock company, with registered office at Viale Eginardo 29, 20149 Milan, Italy, fully paid-up share capital of EUR 39,433.803, registered with the Companies' Register of Milan under number 03064920154 and with the register of banks kept by the Bank of Italy under number 5328, a member of the "Banco BPM" banking group, subject to the management and coordination activities ("management and coordination activities"), of Banco BPM, authorised to carry out activities in Italy pursuant to the Consolidated Banking Act ("Banca Akros").

Legal Advisor
Orrick, Herrington C Sutcliffe.

ALLOCATION OF FLOWS FROM THE PORTFOLIO
The following is a schematic summary of the allocation of cash flows from assigned receivables. The items described in the order of payment shown have a scalar and priority nature, in that they are only satisfied if sufficient funds remain after the previous item has been paid:

a) all taxes and fees necessary to preserve the existence of the Issuer and all costs and fees that must paid to maintain the rating of the Securities;
b) fees, expenses and all other amounts due to the Representative of the Noteholders;
c) amount necessary to ensure that the credit balance of the Expenses Account on the Payment Date is equal to the Retention Amount;
d) fees, expenses and all other amounts due and payable for the Back-up Computation Agent, the Agent Bank, the Transaction Bank, the Operating Bank, the Computation Agent, the Paying Agent, the Corporate Services Provider, the Back-up Servicer and the Stichting Corporate Services Provider.
e) Servicing fees due to the Servicer;
f) Interest due and payable on Class A2 Securities;
g) amount necessary to ensure that the credit balance of the Cash Reserve Account on the Payment Date is equal to the Target Cash Reserve Amount;
h) Repayment of principal due on Class A2 Securities on the Payment Date;
i) (i) Any amounts owed by the vehicle to the originator as repayment of an indemnity paid by the originator to the vehicle under the guarantee and indemnity agreement (ii) Any amounts owed by the vehicle to the servicer under the servicing agreement that have not been paid in the preceding paragraphs
j) Only on the first payment date, to pay the Originator the accrued interest.

k) Pay (a) to the originator any amount due in respect of purchase price adjustments in respect of claims not listed in the assignment agreement but which met the criteria listed therein and any amount due from the vehicle under the guarantee and indemnity agreement (other than those set out in paragraph 9 above) and (b) to the class B underwriter or the originator any amount due from the vehicle under the subscription agreement.

l) Any amount due to originator as restitution of the insurance price and related expenses advanced by the same by virtue of the assignment contract.

m) Interest due and payable on Class B2 Securities.

n) From the Payment Date on which the Class A Securities will be repaid in full, the repayment of principal on the Class B2 Securities.

o) After full and final settlement of all payments due under Priority Order and full redemption of all securities, payment of any surplus on the vehicle's current accounts in favour of Banca Cambiano.

D. Divestment transactions

A. Financial assets sold and not fully derecognised

Information of a qualitative and quantitative nature

D.1 Prudential Consolidation - Transferred Financial Assets Recognised in Full and Associated Financial Liabilities: Values of budget

Technical Forms/Wallet	Financial assets sold recognised in full				Associated financial liabilities		
	Balance sheet value	of which: subject to securitisation transactions	of which: subject to sale-leaseback contracts buyback	of which impaired	Balance sheet value	of which: subject to securitisation transactions	of which: subject to sale-leaseback contracts buyback
A. Financial assets held for negotiation				X			
1. Debt Securities	0	0	0	X	0	0	0
2. Equity Securities	0	0	0	X	0	0	0
3. Financing	0	0	0	X	0	0	0
4. Derivatives	0	0	0	X	0	0	0
B. Mandatory financial assets measured at fair value							
1. Debt Securities	0	0	0	0	0	0	0
2. Equity Securities	0	0	0	X	0	0	0
3. Financing	0	0	0	0	0	0	0
C. Financial Assets designated at fair value							
1. Debt Securities	0	0	0	0	0	0	0
2. Financing	0	0	0	0	0	0	0
D. Financial assets measured at fair value with impact on profitability total							
1. Debt Securities	97.060	0	97.060	0	97.045	0	97.045
2. Equity Securities	0	0	0	X	0	0	0
3. Financing	0	0	0	0	0	0	0
C. Financial assets measured at cost damped							
1. Debt Securities	35.275	0	35.275	0	31.879	0	31.879
2. Financing	82.164	82.164	0	2.056	66.849	66.849	0
Total 31/12/2024	**214.4GG**	**82.164**	**132.335**	**2.056**	**1G5.774**	**66.84G**	**128.G24**
Total 31/12/2023	**33G.101**	**112.4GG**	**226.602**	**40**	**316.G81**	**101.413**	**215.568**

D.3 Prudential Consolidation - Disposal Transactions with Liabilities Recourse Only to Assets Sold and Not Derecognised in Full: Fair Value

Technical Forms/Wallet	Detected in full	Partially detected	Total	
			31/12/2024	31/12/2023
A. Financial assets held for trading				
1. Debt Securities	0	0	0	0
2. Equity Securities	0	0	0	0
3. Financing	0	0	0	0
4. Derivatives	0	0	0	0
B. Financial assets compulsorily valued at fair value				
1. Debt Securities	0	0	0	0
2. Equity Securities	0	0	0	0
3. Financing	0	0	0	0
C. Financial assets designated at fair value				
1. Debt Securities	0	0	0	0
2. Financing	0	0	0	0

Technical Forms/Wallet	Detected in full	Partially detected	Total	
			31/12/2024	31/12/2023
D. Financial assets measured at fair value with impact on overall profitability				
1. Debt Securities	97.060	0	97.060	176.561
2. Equity Securities	0	0	0	0
3. Financing	0	0	0	0
C. Financial assets measured at amortised cost (fair value)				
1. Debt Securities	35.275	0	35.275	48.508
2. Financing	82.164	0	82.164	112.499
Total financial assets	**214.4GG**	**0**	**214.4GG**	**337.568**
Total associated financial liabilities	**1G5.774**	**0**	**1G5.774**	**X**
Net value as at 31/12/2024	**18.726**	**0**	**18.726**	**X**
Net value as at 31/12/2023	**141.7G5**	**0**	**X**	**20.587**

Notes

With regard to loans to customers and amounts due to customers, the fair value used in the table is equal to amortised cost.

1.2 Market risk Qualitative

information

For the purposes of compiling this section, only financial instruments (assets and liabilities) falling within the "supervisory trading book", as defined in the rules on supervisory reporting on market risks (see Circular No. 286 of 17 December 2013 issued by the Bank Italy), are considered.

A. General Aspects

Within the Group, the only company exposed to interest rate and price risk on the supervisory trading book is Banca Cambiano 1884 S.p.A.

The Bank primarily engages in proprietary trading of financial instruments exposed to interest rate risk.

The strategy underlying proprietary trading meets both treasury needs and the objective of maximising the risk/return profile of portfolio investments in terms of interest rate risk and counterparty credit risk.

Trading activities mainly trading in bonds.

B. Interest rate risk and price risk management processes and measurement methods

The 'Finance Area' Regulations set both operational limits (in terms of both portfolio size and composition by type of securities) and exposure to interest rate risk (in terms of financial duration or '*duration*').

At its meeting on 16.01.2020, the Board of Directors approved the Interest Rate Risk Policy, including a methodological appendix, which was subsequently updated at its meeting on 27.11.2024.

Quantitative information

1.2.1.1 Regulatory trading book: distribution by residual maturity (repricing date) of assets and of cash financial liabilities and financial derivatives - All currencies

Type/Remaining duration	At sight	Up to 3 months	More than 3 months up 6 months	More than 6 months up 1 year	Over 1 year up to 5 years	For over 5 years up to 10 years	Over 10 years	Indefinite duration	Total
1. Cash assets									
1.1 Debt Securities									
- with option of early repayment	0	0	0	0	0	0	0	0	**0**
- others	0	7.226	5.452	1.808	65.316	5.545	697	0	**86.043**
1.2 Other activities	0	0	0	0	0	0	0	0	**0**
2. Cash liabilities									
2.1 P.C.T. liabilities	128.924	0	0	0	0	0	0	0	**128.G24**
2.2 Other Liabilities	0	0	0	0	0	0	0	0	**0**
3. Financial derivatives									
3.1 With underlying title									
- Options									
+ long positions	0	0	0	0	0	0	0	0	**0**
+ short positions	0	0	0	0	0	0	0	0	**0**
- Other derivatives									
+ long positions	0	228.762	0	0	0	0	0	0	**228.762**
+ short positions	0	228.543	0	0	0	0	0	0	**228.543**
3.2 Without underlying title									
- Options									
+ long positions	0	0	0	0	0	0	0	0	**0**
+ short positions	0	0	0	0	0	0	0	0	**0**
- Other derivatives									

Type/Remaining duration	At sight	Up to 3 months	More than 3 months up 6 months	More than 6 months up 1 year	Over 1 year up to 5 years	For over 5 years up to 10 years	Over 10 years	Indefinite duration	Total
+ long positions	422	0	0	0	0	0	0	0	**422**
+ short positions	420	0	0	0	0	0	0	0	**420**

1.2.1.2 Regulatory trading book: distribution of equity exposures and equity indices major market listing countries

Type of transaction/Quotation index	Quotati			Unlisted
	Country 1	Country 2	Country 3	
A. Equity Securities				
- long positions	3.812	610	305	300
- short positions	0	0	0	0
B. Unsettled trades in equity securities				
- long positions	0	0	0	0
- short positions	0	0	0	0
C. Other Equity Derivatives				
- long positions	0	0	0	0
- short positions	0	0	0	0
D. Equity Index Derivatives				
- long positions	0	0	0	0
- short positions	0	0	0	0

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 generated by the mismatch between the maturities (repricing) of assets and liabilities belonging to the banking book. Ǫ The latter consists of all financial instruments, assets and liabilities, not included in the trading portfolio within the meaning of supervisory regulations.

The Finance Department has direct responsibility for the operational management of interest rate risk within the guidelines provided by the Board of Directors.

When the thresholds approved by the Board are exceeded, the Finance Area promptly intervenes, on the advice of the General Manager, after consulting the Risk Management Function, in order to bring the interest rate risk exposure back within the defined thresholds; in particular:

- sets up micro-hedge and macro-hedge transactions to hedge medium- to long-term asset/liability items;
- collaborates with Risk Management in determining new interest rate indexing structures for commercial funding/lending products, which are then communicated to the relevant corporate functions;
- sets up transactions to hedge short-term asset/liability items, providing the General Manager and Risk Management with timely information on the actions taken and their impact on rate risk mitigation.

The interest rate risk control process outlines how the limits set on risk indicators are monitored and the *remediation* process if they are exceeded.

Checks on compliance with the Group's limits take place on a quarterly basis and are entrusted to the Risk Management Function, which produces specific reports in order to allow the relative disclosure of information. Depending on the level of seriousness of the exceeding of limits, different actions are envisaged to mitigate interest rate risk:

- ***early warning*** is intended as a threshold of attention for which no corrective/risk management action is required;
- the **operational** limit is understood as a risk limit whose exceeding necessarily requires corrective/risk management actions.

The identification and measurement of the interest rate risk the banking book (IRRBB) of the Group complies with the methodology set forth in Technical Standards EBA/RTS/2022/09, EBA/RTS/2022/10 and EBA/GL/2022/14 later incorporated in Circular 285/2013, Part One, Title III, Chapter 1, Annexes C and C-bis with the 44th and subsequent updates.

The scope includes all assets, liabilities and off-balance sheet items outside the trading book that are sensitive to changes in interest rates (excluding assets deducted from primary tier 1 capital, e.g. real estate or intangible assets or exposures in equity instruments outside the trading book).

The impacts on IRRBB are measured using the Economic Value of Equity (EVE) and Net Interest Income (NII) perspectives. The first (EVE) analyses the impacts of the six prudential rate shocks defined by the Basel Committee on the economic value of equity with reference to the entire remaining life of the balance sheet items. The second (NII) measures the expected net profitability over a 12-month time horizon following only the parallel rate shocks under a constant balance sheet assumption (whereby maturing items over the time horizon are replaced with similar instruments in terms of amount and type of rate). The income profile also considers possible changes in the market value (MV) of financial instruments sensitive to interest rate movements, which have a direct impact on the income statement or overall profitability.

The impacts, both on capital and net interest income, are calculated reference to: i) the levels of interest rates observed at the reporting date (the so-called baseline scenario); and ii) different prudential rate shock scenarios defined by the Supervisory Authority (6 shocks for EVE and 2 for NII). The planned stress scenarios are based on regulatory scenarios, according to the guidelines issued by the European Banking Authority in 2018[4]:
- Parallel up - parallel shock rising;
- Parallel down - parallel shock in reduction;
- Steepener - increasing the slope of the curve;
- Flattener - reducing the slope of the curve;
- Short rate shock up - rise in short-term rates;
- Short rate shock down - reduction in short-term rates.

The differences between the values estimated in the shock scenarios and the corresponding values calculated in the baseline scenario define the amount of sensitivity to changes in rates (ΔEVE, ΔNII and). The largest sensitivity for EVE and NII are called "EVE under worst scenario" and "NII under worst scenario", respectively, and constitute the reference metrics for the regulatory attention indicator, i.ethe Supervisory Outlier Test (SOT). The SOT tests whether or not the change in value corresponding to the worst-case scenario is within predefined materiality thresholds of 15% for EVE and 5% for NII of Tier 1.
For the purpose of calculating interest rate risk, the so-called behavioural models of certain
balance sheet items included in the scope and represented by:

- **Non-Maturity Deposits (NMDs**): By their very nature, these items have no contractually determined maturity and should therefore be treated, in the absence of behavioural models, as demand liabilities. In order to provide a representation more in keeping with the substance of these relationships, modelling is required to distinguish the stable (core) portion, which can spread across maturity bands of up to a maximum of five years, from the non-stable (non-core) portion, which must be kept on demand. The percentage to be used to identify the core component, for each counterparty considered, must be differentiated according to the assumed interest rate shock scenario, being in the lower values of the respective ranges in the case of an upward shock, and in the upper values in the case of a downward shock. The core component is then allocated to the time bands following the on-demand band in proportion to the number of months they contain, assuming a maximum duration of 5 years retail transactional counterparties, 4.5 years for retail non-transactional counterparties and 4 years for wholesale non-financial counterparties. The remaining amount (the so-called "non-core component") is allocated in the on-demand band. The Bank has adopted a behavioural model for items, which complies with the technical standards issued by the EBA (EBA/RTS/2022/09), in use as of 30.09.2024.
- **Fixed-rate loans with prepayment risk** Positions on fixed-rate loans to retail counterparties exposed to prepayment risk, if material, may be represented by considering an annual prepayment rate of between 4% and 6%, with a linear distribution of the prepayment amounts, depending, for each time band, on amount and size of the time band. The prepayment rate is to be differentiated according to the assumed interest rate shock scenario, being in the lower values in the case of an upward shock and in the upper values in the case of a downward shock.
- **Fixed term deposits with early redemption risk (**early redemption): Fixed term deposit positions with retail counterparties exposed to early redemption risk (early redemption), if material, can be represented by considering early redemption rate differentiated between upward and downward shocks, with the "on demand" band of the corresponding amount subject to early redemption allocated. In the case of an upward shock, a maximum cumulative rate of 8% increasing per band (1% of the reported amount in bands up to 3 months, 3% up to 6 months, 5% up to 12 months, 8% over 12 months) may be used; in the case of a downward shock, a rate of 1% (constant) may be used.

Currently, the calculation model used by the Group takes into account neither Prepayment Risk nor Early Redemption Risk. The implementation of the model is part of the plan of activities to be carried out with the support of the IT outsourcer in 2025.

In addition to interest rate risk in the banking book (IRRBB), the Bank also monitors Credit Spread Risk in the Banking Book (CSRBB) at least annually. This risk is determined by changes in the market price for credit risk, liquidity and other potential characteristics of credit risk instruments, which is not captured by another existing prudential framework. The CSRBB recognises the risk of a change in the spread of an instrument assuming the same level of creditworthiness, i.e. the trend in the credit spread within a given rating/PD range.
The CSRBB aims to detect the combination of two main elements:
- changes in the market credit spread or market price of credit risk, which represents the credit risk premium charged by market participants for a given creditworthiness. It differs from the idiosyncratic credit spread, defined as the counterparty-specific credit risk, which takes into account both the reference environment (such as the economic sector and geographic area) in which the counterparty operates and the specific characteristics of the credit instrument (e.g. whether it is a secured or unsecured bond) .

[4] *For the definition of scenarios, please refer to the documentation "EBA/GL/2018/02 - EBA Guidelines on the management of interest rate risk arising from non-trading activities (July 2018)*

- changes in the market liquidity spread, which represents the liquidity premium that is a function of the market's appetite for investment and the presence of available buyers and sellers. In this respect, the spread, similarly to the credit spread, is related to the liquidity of different instruments belonging to a certain rating class rather than to a specific instrument.

For the purpose of identifying the scope of the CSRBB, the Bank does not exclude ex ante any instruments in the banking book, including assets, liabilities, derivatives and other off-balance sheet items such as loan commitments, regardless of their accounting treatment. Securities in the banking book that have a market valuation have been preliminarily included. In addition, other items in the banking portfolio, while not presenting a directly observable market value, may also be considered sensitive to changes in credit spreads (e.g. loans and amounts due to customers). For this reason, separate measurements are made with reference only to the securities portfolio and to the overall items of the banking portfolio considered sensitive to changes in credit spreads. In the latter situation, different assumptions are made with regard to the way in which on-demand liability items are calculated in terms of their distribution across maturity bands.

The impacts on the CSRBB are measured using the Economic Value of Equity (EVE) and Net Interest Income (NII) perspectives. Based on the time series of credit spreads on the different types identified, the following different scenarios are constructed, on the basis of which the measurements in terms of changes in economic value and net interest income are then made:

a. 1st percentile of the time series of credit spreads;
b. 99th percentile of the time series of credit spreads

Quantitative information

1.2.2.1 Banking book: distribution by residual maturity (by repricing date) of assets and liabilities
Financial - All currencies

Type/Remaining duration	At sight	Up to 3 months	For more than 3 months up to 6 months	For more than 6 months up to 1 year	Over 1 year up 5 years	Over 5 years up to 10 years	Over 10 years	Indefinite duration	Total
1. Cash assets									
1.1 Debt Securities									
- with option of early repayment	0	0	0	0	0	0	0	0	**0**
- others	0	46.830	24.886	77.673	297.108	305.246	30.070	0	**781.814**
1.2 Financing to banks	116.062	148.107	0	0	0	0	0	0	**264.16G**
1.3 Financing to customers									
- c/c	2.798	1.717	4.015	2.995	6.657	10	0	0	**18.1G2**
- Other Financing									
- with option of early repayment	584	18.740	218	1	0	0	0	0	**1G.543**
- others	2.786.368	20.269	5.334	2.350	60.542	19.598	29.057	0	**2.G23.51G**
2. Cash liabilities									
2.1 Payables to customers									
- c/c	2.681.998	59.169	4.350	81.745	673.220	81.549	0	0	**3.582.031**
- other payables									
- with option of early repayment	0	0	0	0	0	0	0	0	**0**
- others	31.890	195.582	0	0	0	0	0	0	**227.472**
2.2 Payables to banks									
- c/c	88.423	14.000	0	3.000	0	0	0	0	**105.423**
- other payables	7.607	0	0	0	0	0	0	0	**7.607**
2.3 Debt Securities									
- with option of early repayment	0	0	0	0	0	0	0	0	**0**
- others	0	0	30.003	3.061	41.745	40.973	0	0	**115.782**
2.4 Other Liabilities									
- with option of early repayment	0	0	0	0	0	0	0	0	**0**
- others	0	0	0	0	0	0	0	0	**0**
3. Financial derivatives									
3.1 With title underlying									
- Options									
+ long positions	0	0	0	0	0	0	0	0	**0**
+ short positions	0	0	0	0	0	0	0	0	**0**
- Other derivatives									
+ long positions	0	0	0	0	0	0	0	0	**0**
+ short positions	0	0	0	0	0	0	0	0	**0**
3.2 Untitled underlying									
- Options									

Type/Remaining duration	At sight	Up to 3 months	For more than 3 months up to 6 months	For more than 6 months up to 1 year	Over 1 year up 5 years	Over 5 years up to 10 years	Over 10 years	Indefinite duration	Total
+ long positions	0	0	0	0	0	0	0	0	**0**
+ short positions	0	0	0	0	0	0	0	0	**0**
- Other derivatives									
+ long positions	0	1.299	0	0	0	0	0	0	**1.2GG**
+ short positions	0	65.335	589	407	0	0	0	0	**66.331**
4. Other Operations off-balance sheet									
+ long positions	5.281	163	1.617	1.942	2.883	5.046	944	0	**17.877**
+ short positions	17.877	0	0	0	0	0	0	0	**17.877**

Notes

Long and short positions in other derivatives item 3.2 are expressed in notional values.

1.2.3 Exchange rate risk

Information of a qualitative nature

A. General aspects, management processes and methods for measuring exchange rate risk

Currency risk represents the risk of incurring losses on foreign currency transactions as a result of adverse changes in foreign currency exchange rates.

Within the Group, the only company exposed to exchange rate risk is the Cambiano 1884 S.p.A. Group.

The Bank's Finance Rules define the daily global foreign exchange position limit. The objective is to have daily positions that tend to be balanced within the limits specified in the Finance Rules in force at the time.

On a daily basis, the Risk Management function carries out checks on compliance with the constraints/limits of the global position in foreign exchange. Under organisational structure, exchange rate risk management is assigned to the Foreign Office for customer service activities and to the Securities Treasury Office for financial instruments, while exposure measurement is assigned to the Risk Management Office.

In relation to this riskcurrent supervisory regulations compliance with a capital requirement equal to 8% of the "net open foreign exchange position" only if the latter exceeds 2% of own funds.

The Bank's exposure to foreign exchange risk is marginal: as at 31/12/2024, the 'net open foreign exchange position' was small within 2 per cent of own funds with the consequent exclusion of the above-mentioned capital requirement.

B. Exchange rate risk hedging activities

The Group has no currency hedging transactions in place.

Quantitative information

1.2.3.1 Distribution by currency of denomination of assets, liabilities and derivatives

Entries	Currencies					
	US Dollar	Pound sterling	Franco Swiss	Canadian dollar	JPY Japanese	Other Currencies
A. Financial Assets						
A.1 Debt Securities	0	0	0	0	0	0
A.2 Equity Securities	0	0	0	0	0	0
A.3 Loans to Banks	3.308	0	610	155	0	453
A.4 Loans to customers	4.940	153	392	216	222	373
A.5 Other Financial Assets	100.886	0	1.816	0	0	0
B. Other activities	**33G**	**25**	**81**	**82**	**17**	**2.475**
C. Financial liabilities						
C.1 Due to banks	52.576	0	0	0	0	1
C.2 Due to customers	11.395	9.547	261	53	190	184
C.3 Debt Securities	0	0	0	0	0	0
C.4 Other Financial Liabilities	0	0	0	0	0	0
D. Other liabilities	**0**	**0**	**0**	**0**	**0**	**0**
E. Financial Derivatives						
- Options						
+ Long positions	0	0	0	0	0	0
+ Short positions	0	0	0	0	0	0
- Other derivatives						
+ Long positions	7.075	9.124	0	0	0	0
+ Short positions	49.208	0	2.030	251	0	96
Total assets	**116.548**	**G.301**	**2.8GG**	**453**	**23G**	**3.301**
Total liabilities	**113.180**	**G.547**	**2.2G2**	**304**	**1G0**	**281**
Imbalance (+/-)	**3.368**	**-246**	**608**	**14G**	**50**	**3.020**

1.3 Derivative instruments and hedging policies

1.3.1 Trading Derivatives

A. Financial derivatives

A.1 Financial derivatives for trading: notional values at end of period

Underlying Assets / Derivative Types	Total 31/12/2024				Total 31/12/2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central Counterparts	Without central counterparties			Central Counterparts	Without central counterparties		
		With compensation agreements	Without compensation agreements e			With compensation agreements	Without compensation agreements e	
1. Debt securities and rates of interest								
a) Options	0	0	0	0	0	0	0	0
(b) Swap	0	0	0	0	0	0	0	0
c) Forward	0	0	0	0	0	0	0	0
(d) Futures	0	0	0	0	0	0	0	0
e) Others	0	0	0	0	0	0	0	0
2. Equities and Indices equities								
a) Options	0	0	0	0	0	0	0	0
(b) Swap	0	0	0	0	0	0	0	0
c) Forward	0	0	0	0	0	0	0	0
(d) Futures	0	0	0	0	0	0	0	0
e) Others	0	0	0	0	0	0	0	0
3. Currencies and gold								
a) Options	0	0	0	0	0	0	0	0
(b) Swap	0	0	0	0	0	0	0	0
c) Forward	0	0	66.485	0	0	0	69.865	0
(d) Futures	0	0	0	0	0	0	0	0
e) Others	0	0	0	0	0	0	0	0
4. Merci	0	0	0	0	0	0	0	0
5. Other Underlying	0	0	0	0	0	0	0	0
Total	**0**	**0**	**66.485**	**0**	**0**	**0**	**6G.865**	**0**
Average values	**0**	**0**	**68.175**	**0**	**0**	**0**	**62.1G0**	**0**

A.2 Financial trading derivatives: gross positive and negative fair value - breakdown by product

Underlying Assets / Derivative Types	Total 31/12/2024				Total 31/12/2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central Counterparts	Without central counterparties			Central Counterparts	Without central counterparties		
		With Compensation Agreements	Without compensation agreements e			With Compensation Agreements	Without compensation agreements e	
1. Positive fair value								
a) Options	0	0	0	0	0	0	0	0
(b) Interest rate swaps	0	0	0	0	0	0	0	0
(c) Cross currency swap	0	0	0	0	0	0	0	0
d) Equity swaps	0	0	0	0	0	0	0	0
(e) Forward	0	0	422	0	0	0	618	0
(f) Futures	0	0	0	0	0	0	0	0
g) Others	0	0	0	0	0	0	0	0
Total	**0**	**0**	**422**	**0**	**0**	**0**	**618**	**0**
2. Negative fair value								
a) Options	0	0	0	0	0	0	0	0
(b) Interest rate swaps	0	0	0	0	0	0	0	0
(c) Cross currency swap	0	0	0	0	0	0	0	0
d) Equity swaps	0	0	0	0	0	0	0	0
(e) Forward	0	0	420	0	0	0	442	0
(f) Futures	0	0	0	0	0	0	0	0
g) Others	0	0	0	0	0	0	0	0
Total	**0**	**0**	**420**	**0**	**0**	**0**	**442**	**0**

A.3 OTC financial trading derivatives: notional values, gross positive and negative fair values by counterparty

Contracts not covered by netting agreements	Central counterparts	Banks	Other companies financial	Other subjects
Contracts not covered by netting agreements				
1) Debt Securities and Interest Rates				
- notional value	X	0	0	0
- positive fair value	X	0	0	0
- negative fair value	X	0	0	0
2) Equities and Equity Indices				
- notional value	X	0	0	0
- positive fair value	X	0	0	0
- negative fair value	X	0	0	0
3) Currencies and Gold				
- notional value	X	58.799	0	7.686
- positive fair value	X	277	0	145

Contracts not covered by netting agreements	Central counterparts	Banks	Other companies financial	Other subjects
- negative fair value	X	365	0	56
4) Merci				
- notional value	X	0	0	0
- positive fair value	X	0	0	0
- negative fair value	X	0	0	0
5) Others				
- notional value	X	0	0	0
- positive fair value	X	0	0	0
- negative fair value	X	0	0	0
Contracts under netting agreements				
1) Debt Securities and Interest Rates				
- notional value	0	0	0	0
- positive fair value	0	0	0	0
- negative fair value	0	0	0	0
2) Equities and Equity Indices				
- notional value	0	0	0	0
- positive fair value	0	0	0	0
- negative fair value	0	0	0	0
3) Currencies and Gold				
- notional value	0	0	0	0
- positive fair value	0	0	0	0
- negative fair value	0	0	0	0
4) Merci				
- notional value	0	0	0	0
- positive fair value	0	0	0	0
- negative fair value	0	0	0	0
5) Others				
- notional value	0	0	0	0
- positive fair value	0	0	0	0
- negative fair value	0	0	0	0

A.4 Residual life of OTC financial trading derivatives: notional values

Underlying/Residual life	Up to 1 year	Over 1 year and up to 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	0	0	0	**0**
A.2 Financial derivatives on equities and equity indices	0	0	0	**0**
A.3 Financial derivatives on exchange rates and gold	66.485	0	0	**66.485**
A.4 Financial derivatives on commodities	0	0	0	**0**
A.5 Other Financial Derivatives	0	0	0	**0**
Total 31/12/2024	**66.485**	**0**	**0**	**66.485**
Total 31/12/2023	**6G.865**	**0**	**0**	**6G.865**

1.3.2 Accounting hedges

Qualitative information

Within Group, the only company that accounting hedges is the parent company Banca Cambiano 1884 S.p.A.. Banca Cambiano, at the time of the first application of IFRS 9, exercised the option provided for by the standard to continue to fully apply the rules of IAS 39 for all types of hedges. Therefore, the provisions IFRS 9 on hedging do not apply.

A. Fair Value Hedging Activities

The hedging activities implemented by the Bank are aimed at immunising the banking portfolio from changes in the fair value of deposits and loans caused by movements in the interest rate curve (interest rate risk). No hedging transactions were in place at 31/12/2024.

B. Cash flow hedging activities.

The Bank no cash flow hedging operations.

C. Hedging of foreign investments

The Bank has no foreign investment hedging operations.

D. Hedging instruments

In order for a transaction to be accounted for as a 'hedging transaction', the following conditions must be met: a) the hedging relationship must be formally documented; b) the hedge must be effective at the time it begins and prospectively throughout its life. Effectiveness is verified by specific records and is achieved when changes in the *fair value* of the hedging instrument almost entirely neutralise changes in the risk on the hedged instrument. The within which a hedge is considered highly effective is between 80% and 125%. effectiveness assessment is carried out at each balance sheet or interim (half-yearly) reporting date. In the event that the effectiveness test shows an insufficient hedging relationship and the mismatch is deemed to be non-transitory,

the derivative instrument is allocated to the trading portfolio. Hedging derivatives are accounted for according to the 'trade date' principle.
As at 31.12.2024, no hedging transactions were outstanding.

E. Elements covered
As at 31.12.2024, no hedging transactions were outstanding.

E.1 Debt Securities on Assets
As at 31.12.2024, no hedging transactions were outstanding.

Quantitative information

A. Hedging financial derivatives

D. Instruments covered

1.3.3 Other information on trading and hedging derivatives
A. Financial and credit derivatives
A.1 OTC financial and credit derivatives: net fair values by counterparty

Contracts not covered by netting agreements	Counterparts power plants	Banks	Other companies financial	Other subjects
A. Financial derivatives				
1) Debt Securities and Interest Rates				
- notional value	0	0	0	0
- net positive fair value	0	0	0	0
- negative net fair value	0	0	0	0
2) Equities and Equity Indices				
- notional value	0	0	0	0
- net positive fair value	0	0	0	0
- negative net fair value	0	0	0	0
3) Currencies and Gold				
- notional value	0	58.799	0	3.131
- net positive fair value	0	277	0	145
- negative net fair value	0	365	0	56
4) Merci				
- notional value	0	0	0	0
- net positive fair value	0	0	0	0
- negative net fair value	0	0	0	0
5) Others				
- notional value	0	0	0	0
- net positive fair value	0	0	0	0
- negative net fair value	0	0	0	0
B. Credit derivatives				
1) Purchase protection				
- notional value	0	0	0	0
- net positive fair value	0	0	0	0
- negative net fair value	0	0	0	0
2) Protection sale				
- notional value	0	0	0	0
- net positive fair value	0	0	0	0
- negative net fair value	0	0	0	0

1.4 Liquidity risk Qualitative

information

A. General aspects, management processes and liquidity risk measurement methods
Liquidity risk management is carried out by individual Group companies, in compliance with the guidelines set out in the Risk Appetite Framework, with the aim of verifying the ability of the same companies to efficiently meet any liquidity needs and avoid finding themselves in situations of excessive and/or insufficient availability, with the consequent need to invest and/or procure funds at unfavourable rates compared to market rates. In line with national and international best practices and with Supervisory instructions, the model adopted by Group companies for managing and monitoring operating liquidity is based on the "MaturityMismatch" approach, which presupposes the construction of a "maturityladder" (maturity time scale) and the allocation of certain and estimated flows to the various time bands of the same in order to calculate the cumulative GAP for each maturity band. For the management and measurement of this type of risk, reference should therefore be made to Section 4 of Part E of the Notes to the Financial Statements of Banca Cambiano 1884 S.p.a. and Section 3.4 of Part D of the Notes to the Financial Statements of Cambiano Leasing S.p.a..

With reference to the TLTRO III refinancing operations, the Bank repaid the TLTRO III in full in the course of 2024 for a total amount of €535m, as follows
- repayment€ 200 mln on 27.03.2024 as full repayment of the auction with original maturity 26.06.2024 (100 mln) and partial repayment of the auction with original maturity 25.09.2024 (100 mln);
- repayment€ 335 mln 25.09.2024 as full repayment of the auction with original maturity 25.09.2024 (€ 220 mln remaining) and the auction with original maturity 18.12.2024 (€ 115 mln).

The Board of Directors, in its meeting of 28 February 2024, approved the update of the Contingency Funding Plan (REG 151).

At its meeting on 28 March 2025, the Board of Directors approved the update to the Funding Plan for the financial years 2025-2026. No extraordinary liquidity raising transactions are planned.

Quantitative information

A.1 Distribution of financial assets and liabilities by contractual residual maturity - All currencies

Items/Timing	At sight	More than 1 day to 7 days	More than 7 days to 15 days	For more than 15 days to 1 month	More than 1 month up to 3 months	More than 3 months up to 6 months	More than 6 months up to 1 year	Over 1 year up to 5 years	Over 5 years	Indefinite duration	Totals
Cash Assets											
A.1 Government Securities	1.115	0	0	0	33.280	20.223	20.096	363.950	399.400	0	838.064
A.2 Other Debt Securities	0	9	7.256	712	128	3.877	1.871	12.740	3.200	0	29.793
A.3 Quote O.I.C.R.	36.966	0	0	0	0	0	0	0	0	0	36.966
A.4 Financing	0	0	0	0	0	0	0	0	0	0	0
- Banks	46.237	0	0	0	69.998	0	0	0	0	0	116.235
- Clientele	545.733	2.542	4.596	25.643	122.756	124.418	223.336	818.526	1.041.340	52.363	2.961.254
Cash liabilities											
B.1 Deposits and Current Accounts	0	0	0	0	0	0	0	0	0	0	0
- Banks	86.370	0	0	0	14.000	0	3.000	0	0	0	103.370
- Clientele	2.409.278	1.100	1.586	1.812	361.928	4.297	81.153	658.028	78.710	0	3.597.890
B.2 Debt Securities	0	0	0	0	0	60.562	787	51.998	2.434	0	115.782
B.3 Other liabilities	7.745	130.661	0	0	0	0	0	0	66.849	0	205.256
Off-balance-sheet transactions											
C.1 Financial derivatives with capital exchange	0	0	0	0	0	0	0	0	0	0	0
- Long positions	0	229.012	27.786	20.822	16.468	584	422	0	0	0	295.095
- Short positions	0	251	27.905	20.732	16.448	589	407	0	0	0	66.331
C.2 Financial derivatives without capital exchange	0	0	0	0	0	0	0	0	0	0	0
- Long positions	0	0	0	0	0	0	0	0	0	0	0
- short positions	0	0	0	0	0	0	0	0	0	0	0
C.3 Deposits and loans to be received	0	0	0	0	0	0	0	0	0	0	0
- Long positions	0	0	0	0	0	0	0	0	0	0	0
- Short positions	0	0	0	0	0	0	0	0	0	0	0
C.4 Irrevocable commitments to disburse funds	0	0	0	0	0	0	0	0	0	0	0
- Long positions	5.969	0	6	1	155	548	1.942	6.024	8.040	0	22.686
- Short positions	17.877	0	0	0	0	0	0	0	0	0	17.877
C.5 Financial guarantees given	0	0	0	0	0	0	0	0	0	0	0
C.6 Financial Guarantees Received	0	0	0	0	0	0	0	0	0	0	0
C.7 Credit derivatives with capital exchange	0	0	0	0	0	0	0	0	0	0	0
- Long positions	0	0	0	0	0	0	0	0	0	0	0
- Short positions	0	0	0	0	0	0	0	0	0	0	0
C.8 Credit derivatives without capital exchange	0	0	0	0	0	0	0	0	0	0	0
- Long positions	0	0	0	0	0	0	0	0	0	0	0
- Short positions	0	0	0	0	0	0	0	0	0	0	0

List of collateral - Status with Eurosystem as at 31/12/2024

Isin	Title	Value Nominal	Value budget	Evaluation ECB	Discard ECB	Wallet
0	COLLATERALISED LOANS C/O EUROSYSTEM	81.280	81.280	46.330	-34.951	HTC
0	COLLATERALISED LOANS C/O EUROSYSTEM	207.039	207.039	126.294	-80.745	HTC
	Totals	**288.320**	**288.320**	**172.624**	**-115.6G6**	
	Credit line			**172.624**		

1.5 Operational risks

Information of a qualitative nature

General aspects, management processes and operational risk measurement methods

Operational risk is the risk of suffering losses resulting from inadequate or failed internal procedures, human resources and systems, or from exogenous events. This risk is inherent in the exercise of banking and/or financial activities and can be generated and reside, therefore, in all business processes. In general, the main sources of manifestation of operational risk can be traced back to internal fraud, external fraud, employment relations and safety at work, professional obligations to clients, damage from external events, dysfunctional IT systems and the execution, delivery and management of processes.

The Group has defined a set of organisational processes for the control and management of operational risks, within which it makes use of specific functions:

- Internal Audit, whose activity is aimed on the one hand at monitoring regularity of operations and risk trends, and on the other hand at assessing the functionality of the overall internal control system;
- the Control Body pursuant to Legislative Decree 231/2001, whose composition and functioning are governed by specific regulations, within the framework of the Organisation, Management and Control Model adopted;
- Risk Management, which responds to the need to detect and measure the typical risks of the banking business through constant monitoring of the risks assumed and those potentially generated by investment, lending and service policies;
- Compliance, which is responsible for monitoring and controlling compliance with regulations, providing support in preventing and managing the risk incurring judicial or administrative sanctions and/or incurring significant losses as a result of the violation of external or internal regulations.

Also to guard against the occurrence of operational risk, the following have been prepared and are constantly updated:

- the 'Business Continuity Plan', designed to safeguard the Group against critical events that may affect its full operation operativeness;
- the mapping of the main operational processes (credit, finance and counter), with the aim of harmonising behaviour operators by facilitating the integration of controls.

Particular attention was paid to the issue of IT risk, by definition included in the operational risk, proceeding to establish rules and processes to identify, census and contain events that originated, or could originate, from malfunctions IT procedures and/or equipment, such as network interruptions, unavailability of internet banking, inaccuracies in applications dedicated to branch operations.

Lastly, within the scope of the actions undertaken with a view to ensuring full compliance with the new regulations introduced by the Bank Italy through Circular 285, initiatives related to the completion of the activities to transpose into organisational profiles and internal provisions the references under Title IV - Corporate Governance, Internal Controls, Risk Management, Chapters 4 (Information Systems) and 4 (Business Continuity) of the aforementioned regulations. In this context, the Group, recognising the value of IT risk management as a tool for guaranteeing the effectiveness and efficiency of the protection measures of its information system, defines, in close connection with the project results developed in the Cabel network and in compliance with the principles and regulations in force, a methodology for analysing IT risk and the relative management process that is part of the Group's broader risk management system. The Group has adopted the Basic Indicator Approach (BIA) for calculating the capital requirement for operational risk, which requires that capital to cover this type of risk is equal to 15% of the average "relevant indicator" of the last three financial years, calculated in accordance with Articles 315 and 316 of the CRR Regulation. The consolidated capital absorption for this type of risk as at 31 December 2024 is € 20,738,536.

Quantitative information

Below is evidence of the amount of actual losses that occurred in the last two financial years, classified according to the categories envisaged by the Regulatory Provisions. The amount of these losses, also as a result of the results of the risk assessment performed on the specific type of risk in question, does not configure aspects of significance; however, specific evidence is kept of the events that led to losses.

Types of Loss Events Event Categories (Level 1)	Definition	2024	2023
1. Internal fraud	Losses due to fraud, misappropriation or violation of laws, regulations or company directives - excluding incidents of discrimination or failure to apply a level playing field - involving at least one internal part	0	0
2. External fraud	Losses due to fraud, embezzlement or violations of laws by a third party	6.896	14.060
3. Employment relationship and safety at work	Losses arising from acts that do not comply with laws or agreements on employment, health and safety at work, from payment of compensation for personal injury or from incidents of discrimination or failure to application of equal conditions	0	0
4. Customers, products and business practices	Losses resulting from unintentional or negligent breaches of professional obligations to specific clients (including trust and suitability requirements), or the nature or configuration of the product	959.905	1.352.763
5. Damage to tangible assets	Losses due to loss of or damage to tangible assets resulting from natural disasters or other events	0	0
6. Operational and computer system failures	Losses due to business interruption or to computer system failures	0	0
7. Process execution, delivery and management	Losses due to deficiencies in transaction handling or process management, as well as relations with business counterparts, vendors and suppliers	234.543	148.592
TOTAL		**1.201.344**	**1.515.415**

ESG risks

In this initial phase of approaching the analysis of ESG risks, more attention has been paid to climate risks, in line with the indications of the supervisory authorities, as these risks are those that are currently less embryonic in methodological approaches and analysis techniques than the *social* and *governance* dimensions. Therefore, climate risks, which are divided into physical and transition risks, were separated from the other social and governance risks, which are of lesser relevance and materiality.
With this in mind, since the financial year 2024, quarterly analyses of exposure to the:

- Transition risk of loans to non-financial counterparties, assessing the share of loans to companies operating in sectors most exposed to this risk factor;
- physical risk aimed at estimating the impact and degree of exposure to physical risks of real estate securing the credit exposures e,
- For Banca Cambiano only, physical risk of non-financial companies aimed at estimating the impact and degree of exposure to the physical risks of the properties in which the companies are based.

The estimate of the level of relative exposure of the credit portfolio to the transition risk was carried out by comparing the sectorial composition of the Group's credit exposures to corporate counterparties with that of the Italian and European banking sector, focusing on those sectors considered to be most exposed to this climate risk factor, so as to detect any over/underexposure of the Group with respect to the rest of the banking system. In fact, the transition risk, in this particular historical phase, is very much linked to the probable impact that the European Union's environmental policies aimed at reducing greenhouse gas (GHG) emissions may have on companies in order to contain the effects of climate change.
ǪThis type of impact lends itself very well to be analysed, to a first approximation, at sector level, as companies operating in the same industry tend on average to have business models in terms of emissions and thus potential impacts.
The analysis, therefore, was aimed at comparing the sector composition of the Group's corporate loan portfolio with that of the banking sector.
Below is the composition of lending in the economic sectors considered to be those most exposed to transition risk. These sectors were identified through the guidance provided by supervisory authorities, in particular the list of sectors for which the EBA has requested specific additions to Pillar 3 disclosures from banks in relation to transition risk[5]. The data on Italian and European bank exposures were taken from the EBA database, updated to June 2024.

NACE Code	Sectors exposed to transition risk	Europe	Italy	Cambiano Bank
B	B - Extraction of minerals from quarries and mines	1,1%	0,7%	0,8%
D	D - Supply of electricity, gas, steam and air conditioning	5,6%	4,0%	0,3%
E	E - Water supply; sewerage, waste management and remediation activities	1,0%	1,3%	0,7%
H	H - Transport and storage	5,5%	4,7%	2,8%
I	I - Accommodation and food service activities	2,5%	3,5%	7,3%
C	C - Manufacturing	13,7%	27,5%	25,6%
G	G - Wholesale and retail trade; repair of motor vehicles and motorbikes	12,1%	17,1%	15,8%
L	L - Real estate activities	27,1%	12,8%	12,8%
F	F - Construction	4,6%	7,4%	8,2%
A	A - Agriculture, forestry and fishing	4,0%	2,4%	7,6%
X	Other (Classified as non-sensitive)	22,7%	18,6%	18,2%
Total		**100,0%**	**100,0%**	**100,0%**

An analysis of the sectorial composition of Banca Cambiano's lending shows a level of exposure to the sectors most exposed to transition risk substantially in line with that of the banking sector, the only sectors in which a slightly higher weight can be seen are accommodation and food services and agriculture. Compared to European and Italian system values, the Group has little exposure to the energy sector, the transport and warehousing sector and the water supply, sewerage and waste management sector (letters D, E, H), as sectors whose characteristics are strongly subject to the dynamics of transition risk.
For physical risks, landslide, water and seismic risks were analysed, both at the NFC portfolio level (based on the municipality where the company's headquarters are located) and at the level of the real estate in which credit exposures are located. With regard to landslide and water risks, reference was made to the contents of ISPRA Environment Report no. 356/2021 - "Hydrogeological instability in Italy: hazard and risk indicators", where, on the subject of landslide risk, the municipal area is divided into 5 hazard classes (AA - area of attention; P1 - moderate hazard; P2 - medium hazard; P3 - high hazard; P4 - very high hazard); while on the subject of water risk, the municipal area is divided into 3 hazard classes (HPH - high hazard; MPH - medium hazard; LPH - low hazard).

[5] See EBA; Final draft implementing technical standards on prudential disclosures on ESG risks in accordance with Article 449a CRR; 24- 1-2022.

With regard to seismic risk, reference was instead made to the contents of the "Seismic Classification 04/2023" produced and distributed by the Civil Protection, which divides municipalities into four hazard classes (1 - very high hazard; 2 - high hazard; 3 - medium hazard; 4 - low hazard). Exposure to these risks led to the inclusion of specific add-ons, resulting in an increase in impairment on Stage 1 of about € 694 thousand and an increase in impairment on Stage 2 of about € 1.42 million, for the Parent Company, and of € 351 thousand for the subsidiary Cambiano Leasing.

References for Public Disclosure

Note: Please note that the Public Disclosure (Basel Pillar III) is published on the Parent Company's website at the following address: https://www.bancacambiano.it/banca/informativa-al-pubblico/

PART F - Information on consolidated assets

Section 1- Consolidated Equity

A. Information of a qualitative nature

The management of capital is delegated to the Board of Directors, which defines its optimal size on the basis of policies and strategic choices. In view of the strategic development guidelines, the Bank takes the necessary measures to maintain an adequate current and prospective capital control, in consideration of the Bank of Italy regulations pro tempore in force, the Basel 3 regulatory framework, which it uses to define its own funds, as well as the targets required by the Supervisory Authority. Since 2019, the Group has had a Capital Management plan that is subject to systematic monitoring by the Risk Management function, the governance of which constitutes the oversight of current and prospective capital adequacy. At least quarterly, compliance with regulatory requirements is checked andif necessary, further specific analyses are carried out to assess capital adequacy in advance of extraordinary transactions.

The minimum mandatory external capital requirements to which the Group refers consist of the minimum parameters set forth in Article 92 CRR, the capital decisions issued by the Bank of Italy at the conclusion of the periodic SREP prudential review process, and the combined capital buffer requirement (capital conservation buffer -CCoB- and countercyclical capital buffer -CCyB-) in force from time to time

That being said, and bearing in mind that the CCyB is set at 0%, Group is required comply with the following requirements:

- Primary Tier 1 capital ratio or Cet1 ratio of 8.00% composed of the binding Total SREP Capital Requirement 5.50% (of which 4.5% under Art. 92 CRR) and the Capital Conservation Reserve 2.5%)
- Tier 1 or Tier 1 ratio of 9.90%: composed of the binding Total SREP Capital Requirement 7.40% (of which 6% under Art. 92 CRR) and the Capital Conservation Reserve 2.5%;
- Total Capital Ratio or Total Capital Ratio of 12.30% composed of the binding Total SREP Capital Requirement measures 9.80% (of which 8% under Art. 92 CRR) and the Capital Conservation Reserve 2.5%.

In order to ensure compliance with the above-mentioned binding measures even in conditions of deteriorating economic and financial environment, the Target component (Pillar 2 Guidance, P2G) identified for increased risk exposure under stress conditions, amounts to 1.25%.

On 26/04/2024, the Bank of Italy, on the basis of the power granted to national authorities by Article 133 of the EU Directive /2019/878 (CRD5), decided to activate a systemic risk buffer (SYRB) of 1.0 per cent of credit and counterparty risk-weighted exposures to residents of Italy. The target rate of 1.0 per cent is to be achieved gradually by building up a buffer equal to 0.5 per cent of material exposures by 31 December 2024 and the remaining 0.5 per cent by 30 June 2025.

As at 31.12.2024, the new SyRB reserve amounted to EUR 7.3m and the ratio to total RWA stood at 0.4155%.

As at 31 December 2024, the capital base stood 14.041% CET116.317% Tier1 and 19.540% Total Capital, and was fully sufficient on all three binding capital levels, with CCoB and SyRB reserves being covered by Class 1 Primary Capital.

The above values were calculated using the so-called Transitional Regime with reference to:

- Regulation (EU) 2020/873 (so-called "Quick fix"): in 2020, the bank opted to extend the transitional period (Art. 473 bis CRR) by reformulating the intervention on provisions for expected losses on loans that were recognised from 01/01/2020 in response to the Covid-1 emergency and, as from 31/03/2021, it applied the prudential filters (so-called 'dynamic new approach'). As of 31/12/2024, the Cet1 *add-back* component was equal to 25% of the difference between the increase in provisions for expected losses net of the tax effect on stage 1 and stage 2 loans compared to provisions for the same stages present as of 01/01/2020, for a total amount of 0.825 mln.
- Rwa: risk-weighted assets underwent an increase related to the reduction of the allowable value of the total value adjustments on exposures falling within the perimeter of application of the impairment discipline (perimeter *static approach* and *dynamic approach new*), the extent of 100% of the amount itself. The Bank has therefore chosen to use this calculation (pursuant to Art. 473-bis, par. 7-bis) instead of the 'graduation factor', the calculation method of which is specified in Art. 473-bis, par. 7-bis.
- Article 468 of Regulation (EU) No.575/2013 (CDD) as amended by Regulation (EU) 1623/2024 effective 9.07.2024: the Bank has opted for the temporary treatment of excluding from the calculation of CET1 unrealised gains and losses measured at fair value recognised in other comprehensive income for exposures central governments classified therein. As at 31/12/2024, the CET1 add-back component is equal to 100% of the unrealised gains and losses, net of the tax effect, totalling EUR 2.096m.

The amount of equity as of 31/12/2024, so-called "fully loaded", calculated without considering the dynamic regime in place until 2025 and the exclusion of unrealised gains and losses at fair value, compared to the total RWA calculated without the increase related to the impairment of the above regime, generates the following capital *ratios*: 13.881% CET1, 16.158% Tier1 and 19.383% Total Capital.

The safeguard of current and prospective capital adequacy is developed not only by measuring and monitoring regulatory capital against 'Pillar I' risks, but also by assessing the internal capital adequate to cope with each type of risk (so-called 'Pillar II' risks) as part of the ICAAP - Internal Capital Adequacy Assessment Process, which culminates in the preparation of the annual document at group level and constitutes the prerequisite for the subsequent supervisory review and prudential assessment (SREP) by the supervisory authority.

The bank's shareholders' equity, as a financial resource capable of absorbing possible losses generated by exposure to business risks and therefore substantially falling under the definition of 'Own Funds' as per EU Regulation 575/2013, is determined by the sum of share capital, additional paid-in capital, revenue reserves, valuation reserves, capital instruments and profit for the year, for the portion to be allocated to reserves, as indicated in Part B of this Section.

B. Quantitative information

Further quantitative and qualitative information on the company's assets, in addition to that shown in the tables below, is provided in Part B Section 14 of the Liabilities and in the appropriate chapter of the Report on Operations.

B.1 Consolidated accounting assets: breakdown by type of company

Values	Prudential Consolidation	Insurance companies	Other enterprises	Eliminations and adjustments from consolidation	Total
1. Capital	276.300	0	0	-23.000	253.300
2. Issue surcharges	803	0	0	0	803
3. Reserves	-7.620	0	0	-9.239	-16.860
- of profits	-7.620	0	0	-9.239	-16.860
(a) legal	6.281	0	0	-1.616	4.665
(b) statutory	4.947	0	0	-3.334	1.613
(c) own shares	0	0	0	0	0
(d) other	-18.848	0	0	-4.289	-23.137
- other	0	0	0	0	0
4. Capital instruments	40.000	0	0	0	40.000
5. (Own shares)	0	0	0	0	0
6. Valuation Reserves	-1.064	0	0	0	-1.064
-Equity securities designated at fair value with impact on overall profitability	-396	0	0	0	-396
- Hedging of equity securities designated at fair value with impact on overall profitability	0	0	0	0	0
- Financial assets (other than equity securities) measured at fair value with impact on overall profitability	-2.151	0	0	0	-2.151
- Material activities	0	0	0	0	0
- Intangible Assets	0	0	0	0	0
- Coverage of foreign investments	0	0	0	0	0
- Cash Flow Hedging	0	0	0	0	0
- Exchange rate differences	0	0	0	0	0
- Non-current assets held for sale	0	0	0	0	0
- Financial liabilities designated at fair value with impact on the profit and loss account (changes in its creditworthiness)	0	0	0	0	0
- Actuarial gains (losses) related to plans defined-benefit pension plans	-771	0	0	0	-771
- Quote of relative valuation reserves to equity-accounted investees	2.253	0	0	0	2.253
- Special revaluation laws	0	0	0	0	0
7. Profit (loss) for the year	15.303	0	0	-276	15.028
Total	**323.722**	**0**	**0**	**-32.515**	**2G1.207**

B.2 Valuation reserves for financial assets measured at fair value with impact on comprehensive income: composition

Activities/Values	Prudential Consolidation		Insurance companies		Other enterprises		Eliminations and adjustments from consolidation		Total	
	Reserve positive	Negative reserve	Reserve positive	Reserve negative	Reserve positive	Reserve negative	Reserve positive	Reserve negative	Reserve positive	Reserve negative
1. Debt Securities	0	2.151	0	0	0	0	0	0	0	2.151
2. Equity Securities	42	438	0	0	0	0	0	0	42	438
3. Financing	0	0	0	0	0	0	0	0	0	0

Activities/Values	Prudential Consolidation		Insurance companies		Other enterprises		Eliminations and adjustments from consolidation		Total	
	Reserve positive	Negative reserve	Reserve positive	Reserve negative	Reserve positive	Reserve negative	Reserve positive	Reserve negative	Reserve positive	Reserve negative
Total as at 31/12/2024	**42**	**2.58G**	**0**	**0**	**0**	**0**	**0**	**0**	**42**	**2.58G**
Total as at 31/12/2023	**28**	**8.20G**	**0**	**0**	**0**	**0**	**0**	**0**	**28**	**8.20G**

B.3 Valuation reserves for financial assets measured at fair value with impact on comprehensive income: annual variations

Entries	Debt Securities	Equity Securities	Financing
1. Initial Existence	**-7.754**	**-428**	**0**
2. Positive variations	**5.830**	**135**	**0**
2.1 Fair Value Increases	4.535	135	0
2.2 Value adjustments for credit risk	0	0	0
2.3 Transfer of negative realisation reserves to the profit and loss account	1.295	0	0
2.4 Transfers to other components of equity (securities of capital)	0	0	0
2.5 Other variations	0	0	0
3. Negative Variations	**227**	**104**	**0**
3.1 Fair Value Reductions	75	104	0
3.2 Write-backs due to credit risk	0	0	0
3.3 Transfer to profit and loss account from positive reserves: from realisation	152	X	0
3.4 Transfers to other components of equity (securities of capital)	0	0	0
3.5 Other variations	0	0	0
4. Closing inventories	**-2.151**	**-3G6**	**0**

Section 2 - Own Funds and Regulatory Ratios

As provided for in the 8th Update of Circular 262 "Banks' Financial Statements: formats and compilation rules", for further information please refer to the public disclosure ("Third Pillar") provided at a consolidated level by the Cambiano Banking Group.

PART G - Business combinations involving undertakings or branches undertakings

Section 1 - Transactions carried out during the financial year

In the financial year 2024, there were no business combinations within the meaning of the accounting standard, as defined by IFRS3.

Section 2 - Transactions realised after the end of financial year

No business combinations took place after year-end.

Section 3 - Retrospective Adjustments

There are no adjustments recognised in the current year relating to business combinations that occurred in previous years.

PART H - Related Party Transactions

Introduction

As at 31 December 2024, the Bank is the Parent Company of the Cambiano Banking Group composed of:

- Cambiano Leasing S.p.a.
- Società Immobiliare 1884 S.r.l.

The types of related parties, as defined by IAS 24, that are significant for the Bank therefore include:

- the parent company;
- subsidiaries or companies subject to significant influence;
- executives with strategic responsibilities;
- close family members of key management personnel or companies controlled by (or connected) them or their close family members.

Information on remuneration of key management personnel and related party transactions is provided below

1. Information on the remuneration of key management personnel

The definition of key management personnel, according to IAS 24, includes those persons who have the power and responsibility, directly or indirectly, for planning, directing and controlling the activities of the Group, including the Bank's directors.

In accordance with the provisions of Bank of Italy Circular No. 262 of 22 December 2005 (8th update of 17 November 2022), the members of the Board of Statutory Auditors are also included among the managers with strategic responsibilities.

The following table shows the remuneration accrued in 2023 for Directors, Statutory Auditors and Key Executives:

Entries	31/12/2024	31/12/2023	Variaz.	Change %
a) Directors' fees	788	636	152	23,96%
b) Remuneration of Statutory Auditors	470	344	126	36,47%
c) Executive remuneration	1.457	1.423	34	2,40%
Total	**2.715**	**2.403**	**312**	**12.GG%**

2. Information on related party transactions

Administrators	31/12/2024	31/12/2023	Variaz.	Change %
(a) Credits	5.931	3.474	2.457	70,71%
b) Guarantees given	0	5	-5	-100,00%
Total	**5.G31**	**3.47G**	**2.452**	**70,47%**

Mayors	31/12/2024	31/12/2023	Variaz.	Change %
(a) Credits	0	0	0	
b) Guarantees given	0	0	0	
Total	**0**	**0**	**0**	

Article 136 of Legislative Decree No. 385/1993 and Article 2391 of the Civil Code apply to transactions with exercising administrative, management and control functions within the Group.

More generally, for transactions with related parties, as defined by IAS 24, the prudential supervisory provisions of Title V, Chapter 5, of Bank Italy Circular No. 263/2006 ("Risk Activities and Conflicts of Interest with Related Parties") also apply, except for some limited cases due to the non-perfect coincidence between the application areas of the two regulations.

Transactions with related parties are regularly carried out at market conditions and, in any case, on the basis of cost-effectiveness assessments and always in compliance with the regulations in force, giving adequate reasons and justification for the reasons and convenience of concluding them.

The main intra-group contracts in force at the end of year included the following:

1) the agreement entered into between the Bank and the Parent Company for the performance the Bank of Administration and Supervision activities;
2) contracts relating to the performance by the parent company of audit, compliance, anti-money laundering, investigation and risk management activities on behalf of subsidiaries;

3) financing contracts:
   a) cash elasticity loan related to parent company's financial requirement of€ 20 mln, granted in the technical form of an overdraft facility, at an interest rate of 1%;
   b) loan for cash elasticity related to Cambiano Leasing's financial need of € 293 million, granted in the technical form of a current account credit opening, at Euribor 3m + 1.30%.
   c) cash elasticity loan related to the financial requirement of Immobiliare 1884 srl of€ 16.4 mln, granted in the technical form of a current account credit opening, at an interest rate of 2% and an unsecured loan of
   € 694 mgl, at a rate of 4.75%.

PART M - Leasing Information

This part provides the information required by IFRS16 that is not present in the other parts of the financial statements, distinguishing between lessee and lessor.

Section 1- Lessee

Information of a qualitative nature

The Cambiano Banking Group essentially has real estate leasing contracts and contracts for motor vehicles. The vast majority of real estate leasing contracts include properties intended use as offices, bank branches or ATM locations. The contracts usually have terms of more than 12 months and typically have renewal and extinguishment options exercisable by the lessor and the lessee in accordance with the law or specific contractual provisions. Typically, these contracts do not include a purchase option at the end of the lease term or significant restoration costs for companies. Based on the characteristics of leases, in the case of signing a new lease with a defined contractual term (6 or 4 years) and the option to tacitly renew the contract, the total lease term is set equal to the sum of the periods considered (6+6 or 4+4). This general indication is exceeded if there are new elements or specific situations within the contract.

Car leasing contracts relate to the long-term rental of company cars. These contracts are for three years, with monthly payments, no renewal option and do not include the option to purchase the asset. In the event of early termination, a penalty may be charged.

As already stated in the accounting policies, the Group makes use of the exemptions permitted by IFRS 16 for short-term leases (i.e., duration less than or equal to 12 months) or leases of low-value assets (i.e., value less than or equal to €5,000).

Quantitative information

Part B - Assets of the Notes to the Financial Statements contains information on rights use acquired through leasing (Table 9.1 - Operating assets: Composition of assets measured at cost and Table 9.6 bis - Operating assets - Rights use acquired through leasing: annual changes) and Part B - Liabilities contains information on payables for leasing (Table 1.2 - Financial liabilities measured at amortised cost: Composition of payables to customers and Table 1.6 - Financial liabilities measured at amortised cost: payables for leasing). In particular, rights of use acquired through leasing amounted to 13,231 thousand, of which 13,193 thousand related to property leases. Lease payables amounted to 13,963 thousand. Please refer to these sections for further details.

Part C of the Notes to the Financial Statements contains information on interest expense on leasing liabilities and other charges related to rights of use acquired under leases. Please refer to the specific sections for further details.

Section 2- Landlord

Information of a qualitative nature

The Banking Group carries out leasing transactions in the role of lessor mainly through the company Cambiano Leasing, S.p.A. controlled by Banca Cambiano 1884 S.p.A.

Operations mainly concern financial leasing on real estate, industrial and commercial assets. The company is also present on the market with leasing products for capital goods and vehicles.

In the Notes to the Financial Statements, loans for leasing are shown (Part B, Assets - Table 4.2 - Financial assets measured at amortised cost: breakdown of loans to customers). Please refer to these sections for further details.

Part C of the Notes to the Financial Statements contains information on interest income on lease financing and other finance and operating lease income. Please refer to the specific sections for further details.

2. Financial leasing

2.1 Time band classification of payments to be received and reconciliation financing for leases recorded as assets

The table provides a breakdown of payments receivable by time bands, the financial gains inherent in payments due, and a reconciliation between payments receivable and lease financing, in accordance with IFRS 16.

The figures shown in the table include payments for active or non-performing leases only, excluding the values for assets under construction and awaiting activation.
In particular, it should be noted that the lease payments receivable are the sum of all payments required or that may be required from the lessee during the lease term, excluding contingent rent.
The guaranteed residual value corresponds to the redemption portion inherent in the principal amounts due for which the exercise of the option right is reasonably certain.
Gross investment means the sum of the minimum payments due and any unsecured residual value accruing to the lessor.

Time bands	31/12/2024	31/12/2023
	Payments to be received for the leasing	Payments to be received for leasing
to 1 year	71.412	79.503
Over 1 year up to 2 years	67.753	66.327
Over 2 years up to 3 years	52.697	56.421
Over 3 years up to 4 years	37.838	41.266
Over 4 years up to 5 years	24.916	26.394
For over 5 years	62.730	73.446
Total lease payments receivable	**317.346**	**343.357**
RECONCILIATION WITH FINANCING		
Unaccrued financial gains (-)	30.654	41.301
Non-guaranteed residual value (+)	0	0
Lease financing	**286.6G2**	**302.057**

2.2 Other information

2.2.1 Classification of leasing finance by quality and type of leased asset

	Non-impaired loans		Impaired loans	
	Total (2024)	Total (2023)	Total (2024)	Total (2023)
A. Real estate:	**G7.875**	**104.260**	**14.774**	**15.074**
- Land				
- Buildings	97.875	104.260	14.774	15.074
B. Capital goods	**82.558**	**G7.751**	**4.31G**	**3.G12**
C. Movable Assets	**83.700**	**77.814**	**3.467**	**3.246**
- Motor vehicles	76.676	69.856	3.467	3.196
- Air and rail	7.024	7.958	0	50
- Others				
D. Intangible Assets:				
- Marks				
- Software				
- Others				
Total	**264.133**	**27G.825**	**22.560**	**22.232**

3. Operating leases

3.1 Time-based classification of payments to be received

Time bands	31/12/2024	31/12/2023
	Payments to be received for leasing	Payments to be received for leasing
Up to 1 year	0	0
Over 1 year up to 2 years	0	0
Over 2 years up to 3 years	0	0
Over 3 years up to 4 years	0	0
Over 4 years up to 5 years	0	0
For over 5 years	0	0
Lease financing	**0**	**0**

AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Deloitte C Touche S.p.A.
Via Pier Capponi, 24
50132 Florence
Italy

Tel: +39 055 2671011
Fax: +39 055 282147
www.deloitte.it

INDEPENDENT AUDITORS' REPORT
PURSUANT TO ART. 14 OF D. LGS. 27 JANUARY 2010NO 3G AND ART. 10 OF REGULATION (EU) NO 537/2014

To the Shareholders of
Banca Cambiano 1884 S.p.A.

AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Judgement

We have audited the consolidated financial statements of the Cambiano Banking Group (the 'Group'), which comprise the balance sheet as at 31 December 2024, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the cash flow statement for the year then ended and the notes to the financial statements, which include the relevant information on the accounting standards applied.

In our opinion, the consolidated financial statements give a true fair view of the financial position of the Group as at 31 December 2024, results of operations and of cash flows for the year then ended in accordance with IFRS issued by the International Accounting Standards Board and adopted by the European Union as well as the measures issued in implementation Article 43 of Legislative Decree No. 136/15.

Elements underlying judgement

We conducted our audit in accordance with International Standards on Auditing (ISA Italy). Our responsibilities under these standards are further described in the section *Responsibilities of the Auditor for the Audit of the Consolidated Financial Statements* of this report.

We are independent of Banca Cambiano 1884 S.p.A. (the 'Bank') in accordance with the standards and principles on ethics and independence applicable in the Italian legal system to the audit of financial statements. We believe that we have obtained sufficient evidence and appropriate on which to base our judgement.

Key aspects of auditing

The key audit aspects are those aspects that, in our professional opinion, were most significant in the audit of the consolidated financial statements for the year under review.

These issues were addressed by us in our audit and in forming our opinion on the consolidated financial statements as a whole; therefore, we do not express a separate opinion on them.

Classification and valuation of impaired loans to customers at amortised cost classified as non-performing and likely to default	
Description of the key aspect of the revision	As stated in the 'Quality of credit' section of the report on the management and in the quantitative information in "Section 1 - Credit Risk" of Part E - Information on Risks and Related Hedging Policies of the Notes to the Financial Statements as at 31 December 2024, the loans to customers measured at amortised cost impaired of Group amounted to a gross value of Euro 232.8 million, to which specific value adjustments of Euro 94.3 million were associated, resulting in a net value of Euro 138.5 million. The Report on Operations also shows that the coverage ratio of loans to customers valued at cost amortised impaired as at 31 December 2024 is 40.52%. In In particular, the above-mentioned impaired loans, classified in accordance with the international accounting standard IFRS 9 'Instruments financial' in the so-called 'third stage', include non-performing loans for a value of Euro 41.3 million, with a coverage ratio of 55.77%, and probable defaults with a net value of Euro 79.9 million, with a coverage ratio of 33.15%. For the classification of credit exposures by homogeneous risk classes, the Group refers to the sector regulations and the internal provisions governing classification and transfer rules within the different risk categories. In determining the recoverable amount of impaired loans customers measured at amortised cost, the Group, within the framework of its classification and evaluation policies, has made use of evaluation processes and methods characterised by elements of subjectivity and estimation of certain variables, such as, primarily, expected cash flows, expected recovery times and the presumed realisable value of collateral, if any, whose change may lead to a change in the final recoverable amount. In the Management Report and Notes to the Financial Statements Part A - Accounting Policies, Part B - Balance Sheet Information, Section 4 of Assets, Part C - Information on Profit and Loss Account, Section 8, Part E - Information on Risks and Related Hedging Policies provides information on the aspects described above.

In view of the significance of the amount of impaired loans to customers measured at amortised cost recorded in the financial statements, the complexity of the estimation processes adopted by the Group, which entailed a complex classification into categories of homogeneous risk, as well as relevance of the components discretionary inherent in the estimative nature of recoverable value (such as estimates of expected cash flows, their recovery times and the value of any collateral as well as possible strategies for recovery), we considered the classification of impaired loans customers at amortised cost classified as non-performing and probable default and their valuation to be a key aspect of the audit of the Cambiano Banking Group's consolidated financial statements as at 31 December 2024.

Auditing procedures performed	The following main procedures, among others, were carried out as part of the audit activities: • understanding of the internal regulations, processes and related organisational and procedural safeguards put in place by the Group in on how to classify and determine the recoverable amount of loans to customers measured at cost amortised impaired loans, classified as non-performing and likely to default, in order to verify their compliance with the relevant regulatory framework and applicable accounting standards; • verification of the implementation of the key controls identified with reference to the aforementioned processes; • qualitative and performance analysis of impaired loans to customers valued at amortised cost, classified as non-performing and likely to default, through the calculation of appropriate qualitative/quantitative indicators in order to identify possible elements of interest; • verification, for a sample of selected positions, of the classification and determination of the recoverable amount of receivables impaired loans to customers measured at amortised cost, classified as non-performing and likely to default, on the basis of the reference legislation, the applicable accounting standards; • analysis of events after the balance sheet date; • verification of completeness and conformity of the information provided in the financial statements with the requirements of the reference and the applicable accounting standards.

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Classification of non-impaired loans to customers at amortised cost classified as stage 2	
Description of the key aspect of the revision	As stated in the 'Quality of credit' section of the report on the management and in the quantitative information on credit risk in Part E - Information on risks and related hedging policies of the notes to the financial statements as at 31 December 2024, the Group's non-impaired loans to customers measured at amortised cost amounted to a gross value of Euro 2,741.8 million, to which portfolio adjustments of Euro 17.4 million were associated, and a resulting net value of Euro 2,724.4 million, showing a coverage ratio of 0.63%. Among them, loans to customers for non-impaired loans at higher risk are essentially classified in the so-called 'second stage' amounting to Euro 294.7 million gross with a coverage ratio of 3.06%. As part of its policies for the management of loans to customers, the Group has adopted processes and methods for monitoring the performance of relationships in accordance with provisions of industry regulations and internal provisions governing the rules for classification and transfer in the various categories of risk. In the process of classification, also for the purposes of the consequent valuation, of non-impaired loans, the Group took into account consideration of the particular context of macroeconomic uncertainty resulting from continuing geo-political tensions. In the Management Report and Notes to the Financial Statements Part A - Accounting Policies, Part B - Balance Sheet Information, Section 4 of Assets, Part C - Information on Profit and Loss Account, Section 8, Part E - Information on Risks and Related Hedging Policies provides information on the aspects described above. In view of the significance of the amount and the complexity of the classification process adopted by the Group, also taking into account the circumstances related to the uncertainties of the current macroeconomic environment, we considered that the classification of loans to customers for non stage 2 impaired loans, measured at amortised cost, is a key aspect of the revision of the Cambiano Banking Group's consolidated financial statements as at 31 December 2024.

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Auditing procedures performed	The following main procedures, among others, were carried out as part of the audit activities: • understanding of the internal regulations, processes and related organisational and procedural safeguards put in place by the Group in in relation to the methods for classifying and monitoring the quality of non-impaired loans to customers measured at amortised cost, possibly modified to take account of the effects arising from the context of macroeconomic uncertainty, in order to verify compliance with the relevant regulatory framework and applicable accounting standards; • verification of the implementation of the key controls identified with reference to the aforementioned processes; • qualitative and performance analysis of non-impaired loans to customers in order to identify any elements of interest; • verification, for a sample of selected positions, of the classification of loans to customers valued at cost amortised non-impaired classified as stage 2 on the basis of the regulatory framework; • analysis of events after the balance sheet date; • verification of completeness and conformity of the information provided in the financial statements with the requirements of the reference and the applicable accounting standards.

Responsibilities of the Directors and the Board of 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 as issued
by the International Accounting Standards Board and adopted by the European Union as well as the measures issued in implementation Article 43 of Legislative Decree No. 136/15 and, within the terms provided for law, for that part of the internal control deemed necessary by them to enable the preparation of financial statements that are free from material misstatement due to fraud or unintentional conduct or events.

The Directors are responsible for assessing the Group's ability to continue to operate as a going concern and, in preparing the consolidated financial statements, for
the appropriateness of the use of the going concern assumption, as well as for adequate disclosure.

The Directors use the going concern assumption in preparing the consolidated financial statements unless they have assessed that the conditions for the liquidation of the Parent Company Banca Cambiano 1884 S.p.A. or to discontinue the activity or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for the supervision, within the terms of the law, the Group's financial reporting process.

Auditor's responsibility for auditing 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 unintentional conduct or events, and to issue an audit report that includes our opinion. Reasonable assurance is defined as a high level of assurance, which, however, does not provide the assurance that an audit performed in accordance with International Standards on Auditing (ISA Italia) always detects a significant error, if any. Errors may arise from fraud or unintentional conduct or events and are considered significant if they could reasonably be expected, individually or in the aggregate, to influence the economic decisions made by users on the basis of the consolidated financial statements.

In performing our audit in accordance with International Standards on Auditing (ISA Italy), we exercised professional judgment and maintained sceptical professional for the duration of the audit. In addition:

- we have identified and assessed the risks of material misstatements in the consolidated financial statements, due to fraud or unintentional conduct or events; we have defined and carried out procedures for audit in response to those risks; we obtained sufficient and appropriate audit evidence on which base our opinion. The risk not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement resulting from unintentional conduct or events, as fraud may involve collusion, falsification, intentional omissions, misleading representations or forcing of control interior.

- We gained an understanding of internal control relevant to the audit accounting for the purpose of establishing audit procedures that are appropriate in the circumstances and not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- We have assessed the appropriateness of the accounting principles used as well as the reasonableness of the accounting estimates made by the Directors, including the related disclosures.

- We have come to a conclusion on the appropriateness of the Directors' use of the going concern assumption and, based on the evidence obtained, whether a significant uncertainty exists with respect to events or circumstances that may cast significant doubt on the Group's ability to continue as a going concern. In the presence of a significant uncertainty, we are required to draw attention in the audit report to the relevant financial statement disclosures, or, if such disclosures are inadequate, to reflect this in the wording of the our judgement.

Our conclusions are based on the evidence acquired up to the date of the
this report. However, subsequent events or circumstances may result in the Group ceasing to operate as a going concern.

- We have assessed the presentation, structure and content of the consolidated financial statements as a whole, including disclosures, and whether the consolidated financial statements represent the transactions and
underlying events so as to provide a fair representation.

- We obtained sufficient and appropriate evidence on the financial information
of the undertakings or the different economic activities performed within the Group to express an opinion on the consolidated financial statements. We are responsible for the management, supervision and
of the Group's audit engagement. We are solely responsible for the audit opinion on the consolidated financial statements.

We communicated to those responsible for governance activities, identified at a level
appropriate as required by ISA Italia, among other aspects, the planned scope and timing of the audit and the significant findings, including any significant deficiencies in internal control identified during the audit.

We have also provided those responsible for governance activities with a declaration that we have complied with the ethics and independence rules and principles applicable in the Italian legal system and have disclosed to them any situation that may reasonably have an effect on our independence and, where applicable, the actions taken to eliminate the
related risks or the safeguard measures applied.

Of the issues communicated to those responsible for governance activities, we identified those that were most relevant to the audit of the consolidated financial statements
of the year under review, which were therefore the key aspects of the audit. We have described these aspects in the audit report.

Other information disclosed pursuant Article 10 of Regulation (EU) 537/2014

On 14 June 2020, the Shareholders' Meeting of Banca Cambiano 1884 S.p.A. appointed us to audit the and consolidated financial statements of the Bank for the financial years from 31 December 2020 to 31 December 2028.

We declare that no non-audit services prohibited under
Article 5(1) of Regulation (EU) 537/2014 and that we remained independent of the Bank in performing the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is in line with that indicated in the additional report to the Board of Statutory Auditors, in its capacity as the Internal Control and Audit Committee, prepared pursuant to Article 11 of the aforementioned Regulation.

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REPORT ON OTHER LEGAL AND REGULATORY PROVISIONS

Judgments and declarations pursuant to Article 14(2)(e), (e-bis) and (e-ter) of Legislative Decree 3G/10

The Directors of Banca Cambiano 1884 S.p.A. are responsible for the preparation of the report on operations of the Cambiano Banking Group as at 31 December 2024, including its consistency with the related consolidated financial statements and its compliance with the law.

We have performed the procedures specified in Auditing Standard (SA Italy) No. 720B for the purpose:

- to express an opinion on the consistency of the management report with the consolidated financial statements;

- to express an opinion on the legal compliance of the management report;

- make a statement on any significant errors in the management report.

In our opinion, the management report is consistent with the consolidated financial statements of the Cambiano Banking Group as at 31 December 2024.
Furthermore, in our opinion, the management report is prepared in accordance with the law.

With reference to the declaration referred to in Article 14, para. 2, letter e-ter) of Legislative Decree 39/10, issued on the basis of the knowledge and understanding of the company and its context acquired the course of the audit activity, we have nothing to report.

DELOITTE C TOUCHE S.p.A.

Antonio Sportillo
Member

Florence, 14 April 2025

ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation of the Reclassified Consolidated Balance Sheet and Income Statement with the Consolidated Financial Statements

Below are the reconciliation schedules used to prepare the consolidated balance sheet and income statement in reclassified form.

Balance Sheet

Asset Items		31/12/2024	31/12/2023
Case		15.246	15.519
10.	Cash and cash equivalents	131.313	341.284
	minus: Sight receivables from banks	-116.067	-325.765
Financial assets		930.932	994.592
	(a) financial assets held for trading	98.293	103.754
20. a)	Financial assets at fair value through profit or loss a) assets financial assets held for trading	92.055	84.560
	plus: Other assets (tax receivables) held for trading reclassified from Other Assets - Item 130	6.238	19.194
20. b)	*(b) financial assets designated at fair value*	0	0
	(c) other financial assets mandatorily measured at fair value	39.828	29.372
20. c)	Financial assets at fair value through profit or loss c) other financial assets mandatorily measured at fair value	138.182	100.696
	less: Loans required to be measured at fair value	-98.354	-71.324
	d) Financial assets measured at fair value with impact on profitability total	173.188	474.967
30.	Financial assets measured at fair value with impact on comprehensive income	173.188	474.967
	e) Financial assets measured at amortised cost	619.623	386.499
	- Banks	2.737	3.683
	plus: Debt securities unwound from loans to banks - item 40 a	2.737	3.683
	- Clientele	616.886	382.816
	plus: Debt securities unwound from loans to customers - item 40b	616.886	382.816
Financing		3.310.322	3.635.047
	(a) due from banks	264.342	405.359
40 a)	Financial assets measured at amortised cost a) loans and advances to banks	151.012	83.277
	less: Debt securities	-2.737	-3.683
	plus: Loans to banks reclassified from Cash and cash equivalents - Item 10	116.067	325.765
	(b) loans to customers	2.862.900	3.079.729
40 b)	Financial assets measured at amortised cost b) loans to customers	3.479.786	3.462.545
	less: Debt securities	-616.886	-382.816
	c) Loans mandatorily measured at fair value	98.354	71.324
	plus: Loans to customers reclassified from other financial assets mandatorily measured at fair value - Item 20 c)	98.354	71.324
	d) Other activities	84.726	78.636
	plus: Tax Credits to CA reclassified from Other Assets - Item 130	84.726	78.636
Participations		16.375	15.933
70.	Participations	16.375	15.933
Material activities		92.579	89.231
90.	Material activities	92.579	89.231
Intangible Assets		5.090	4.928
100.	Intangible Assets	5.090	4.928
Fiscal activities		15.714	21.031
110.	Fiscal activities	15.714	21.031
Non-current assets and groups of assets held for sale		0	0
120.	Non-current assets and groups of assets held for sale	0	0
Other Activities		52.165	81.498
130.	Other Activities	143.129	179.327
	less: Other assets (tax receivables) held for trading	-6.238	-19.194
	less: Financing for tax credits to the CA	-84.726	-78.636
TOTAL ASSETS		4.438.424	4.857.779

Liabilities and Shareholders' Equity		31/12/2024	31/12/2023
Due to banks and institutional counterparties		306.875	945.734
	(a) due to banks	111.102	641.072

Liabilities and Shareholders' Equity		31/12/2024	31/12/2023
10. a)	Financial liabilities measured at amortised cost a) due to banks	111.102	641.072
	(b) due to institutional counterparties	195.774	304.662
	plus: Due to institutional counterparties from liabilities to customers - Item 10 b)	195.774	304.662
Direct collection		3.729.511	3.507.155
	(a) amounts due to customers	3.613.729	3.334.734
10. b)	Financial liabilities measured at amortised cost b) Due to customers	3.809.502	3.639.396
	less: Due to institutional counterparties	-195.774	-304.662
	(b) securities in issue	115.782	172.421
10. c)	Financial liabilities measured at amortised cost c) securities issued	115.782	172.421
Financial liabilities held for trading		420	442
20.	Financial liabilities held for trading	420	442
Tax liabilities		1.104	1.220
60.	Tax liabilities	1.104	1.220
Liabilities associated with discontinued operations		0	0
70.	Liabilities associated with discontinued operations	0	0
Other liabilities		100.907	118.192
80.	Other liabilities	100.907	118.192
Liabilities funds		8.400	10.679
90.	Staff severance pay	3.342	3.255
100.	Provisions for risks and charges:	5.058	7.424
TOTAL LIABILITIES		4.147.217	4.583.421
Net assets		291.207	274.358
120.	Valuation Reserves	-1.064	-7.783
130.	Redeemable shares	0	0
140.	Capital instruments	40.000	40.000
150.	Reserves	-17.545	-35.814
160.	Issue surcharges	803	803
170.	Capital	252.800	252.800
180.	Own shares (-)	0	0
190.	Minority interests	1.255	1.185
200.	Profit/loss for the year	14.958	23.166
TOTAL LIABILITIES AND EQUITY		4.438.424	4.857.779

Profit and Loss Account

Items Income Statement		31/12/2024	31/12/2023
10.	Interest and similar income	180.234	167.318
20.	Interest expenses and similar charges	-95.726	-76.247
30.	Interest margin	84.508	91.070
70.	Dividends and similar income	544	589
Financial Margin		85.052	91.659
40.	Commission income	36.142	36.502
50.	Commissions payable	-5.958	-6.095
	plus recoveries of commission expenses reclassified from Other income and expenses - Item 230	331	644
Net commissions		30.515	31.051
	Net result of Finance:	7.619	11.168
80.	Net trading income	9.499	10.226
90.	Net result from hedging activities	0	0
100. a)	Gains (losses) on disposal or repurchase of (a) financial assets measured at cost damped	705	-3.972
	less gains/losses on disposal of NPL loans	569	5.514
100. b)	Gains (losses) on disposal or repurchase of b) financial assets measured at fair value value with impact on overall profitability	965	666
100. c)	Gains (losses) on disposal or repurchase of c) financial liabilities	20	157
110. a)	(a) financial assets and liabilities designated at fair value	0	0
110. b)	(b) other financial assets mandatorily measured at fair value	-4.278	-1.410
	minus the net result of compulsory financing at fair value	137	-12
	Other net operating income/expenses	-85	1.115
230.	Other operating income/expenses	8.005	8.624
	minus recoveries of commission expenses	-331	-644
	minus Recoveries of personnel expenses	-266	-817
	less Recoveries of other administrative expenses	-7.493	-6.098
	less Badwill	0	-1.291
	less Expenses for lawsuits covered using provisions for risks and charges	0	1.340
Other operating income		38.049	43.334
Operating income		123.101	134.993

Items Income Statement		31/12/2024	31/12/2023
	(a) personnel expenses	-35.805	-33.723
190. a)	Administrative expenses a) personnel expenses	-36.071	-34.539
	- Recoveries of personnel expenses reclassified from Other income and expenses - Item 200	266	817
	(b) other administrative expenses	-31.980	-33.230
190. b)	Administrative expenses b) other administrative expenses	-43.444	-45.277
	- Recoveries of other administrative expenses reclassified from Other income and charges - Item 200	7.493	6.098
	- Charges related to the banking system (contributions to DGS and FITD funds) reclassified to own item	3.971	5.950
	Net value adjustments/reversals on tangible and intangible assets	-7.292	-7.251
210.	Net Value Adjustments/Write-backs on Tangible Assets	-5.209	-5.278
220.	Net value adjustments/write-backs on intangible assets	-2.548	-2.245
	less Amortisation of intangible assets recognised as a result of PPA	465	272
	Net result of fair value measurement of property, plant and equipment and intangibles	0	91
260	Net result of fair value measurement of property, plant and equipment and intangibles	0	91
Operating expenses		-75.076	-74.113
Result from operations		48.025	60.880
	Net value adjustments on loans to customers	-27.496	-25.292
130. a)	Net value adjustments/write-backs for credit risk of a) financial assets valued at amortised cost	-26.338	-19.808
	less value adjustments/write-backs for credit risk on debt securities at amortised cost	-57	-118
	plus gains/losses on disposal of NPL loans reclassified from item 100 a)	-569	-5.514
	plus net income from reclassified mandatory fair value loans from item 110(b)	-137	12
140.	Gains/losses from contractual changes without cancellations	-395	137
	Net Value Adjustments on Securities and Other Financial Assets	284	344
130. b)	Net value adjustments/write-backs for credit risk of b) financial assets measured at fair value with impact on comprehensive income	227	225
	plus adjustments/write-backs for credit risk on debt securities and loans to banks at amortised cost	57	118
	Net provisions for risks and charges: guarantees and commitments	-291	-113
200. a)	Net provisions for risks and charges: a) guarantees and commitments	-291	-113
Net value adjustments for credit risk		-27.503	-25.062
	Net provisions for liabilities and charges: other	1.801	-198
200. b)	Net provisions for liabilities and charges b) other net provisions	1.801	1.142
	less Utilisation of risk funds set up in previous years to cover Expenses for lawsuits reclassified from Other income and expenses - item 200	0	-1.340
	Gains (Losses) on participations	442	-324
220.	Gains (Losses) on participations	442	-324
	Gains (Losses) on disposal of investments	-234	89
250.	Gains (Losses) on disposal of investments	-234	89
	Charges related to the banking system (contributions to DGS and FITD funds)	-3.971	-5.950
	plus Charges related to the banking system (contributions to DGS and FITD Funds) reclassified from Administrative expenses b) other administrative expenses - Item 160 b)	-3.971	-5.950
Gross income from current operations		18.560	29.434
	Income tax for year on current operations	-3.067	-7.143
270.	Income tax for year on current operations	-3.067	-7.143
Net result from current operations		15.493	22.292
	PPA	0	1.291
	Goodwill Impairment / Amortisation of Intangible Assets	-465	-272
240.	Goodwill Value Adjustments	0	0
	less Amortisation of intangible assets recognised as a result of PPA	-465	-272
	Profit (Loss) from discontinued operations after tax	0	-70
290.	Profit (Loss) from discontinued operations after tax	0	-70
Profit (loss) the year		15.028	23.241
340.	Minority interest in profit (loss) the year	70	75
Profit (Loss) the Year Attributable to the Parent Company		14.958	23.166

Statutory audit fees

Pursuant to Article 2427, paragraph 1, no. 16-bis of the Italian Civil Code, the fees contractually agreed for the year 2024 with the Auditing Firm for the engagement to audit the accounts and for the provision of other services to the Group are summarised below.

Amounts are net VAT and expenses.

Type of services	Person who provided the service: auditing company / statutory auditor	Total fees (in euro)
A) Statutory audit	Deloitte C Touche s.p.a.	106.803
B) Attestation services	Deloitte C Touche s.p.a.	5.000
C) Tax advisory services		0
D) Other services	Deloitte C Touche s.p.a.	20.569
Total fees		**132.372**

Public disclosure State by State

The 4th update of the Bank of Italy Circular No. 285 of 17 December 2013, in Title III, Chapter 2, transposes into Italian law the State-by-State disclosure rules, introduced with Article 89 of Directive 2013/36/EU of the European Parliament and of the Council (CRD IV). In line with this provision, the Bank is required to publish a series of qualitative and quantitative information annually as an annex to its financial statements or on its website. For this reason, it is necessary to publish the information marked (a), (b), and
c) of Annex A to Part One, Title III, Chapter 2, with reference to the situation on 31 December 2024.

In particular:

- Company name and nature of activity
- Turnover
- Number of employees on a full-time equivalent basis
- Profit or loss before tax
- Taxes on profit or loss
- Public contributions received

The required information is given below.

1. Company names and nature of activities

This disclosure refers to the Cambiano Banking Group, which operates in Italy and consists of the following companies:

Banca Cambiano 1884 S.p.A. - Parent Company of the Banking Group with registered office and general management in Viale Antonio Gramsci, 34 - 50132 Florence - Share Capital 252,799,999.60 euro i.v. - tax code and registration with the Florence Register of Companies 002599341209, VAT number 002599341209, member of the National Guarantee Fund and the Interbank Deposit Protection Fund;

Cambiano Leasing S.p.A. - 95.00% subsidiary carrying out leasing activities, with registered office and management at Piazza Garibaldi 3 - 50053 Empoli (FI) - Share Capital 10,000,000.00 euro i.v. - tax code and registration with the Register of Companies of Florence 01085070496, VAT number 04487530489, enrolled in the Single Register pursuant to Article 106 TUB;

Immobiliare 1884 S.r.l. - a wholly-owned subsidiary that carries out real estate activities, with registered office in Viale Antonio Gramsci, 34 - 50132 Florence - Capital stock euro 13,500,000.00 i.v., tax code and registration with the Register of Companies of Florence 06780730484 - VAT registration number 06780730484;

2. Turnover

The 4th update of Circular 285/2013 cited above identifies 'net interest and other banking income' reported in item 120 of the income statement as turnover.

Company	Net interest and other banking income (in thousands)
Banca Cambiano 1884 S.p.A.	117.233
Cambiano Leasing S.p.A.	5.190
Immobiliare 1884 S.r.l.	-131
Consolidation Adjustments	-144
Total Group	**122.148**

3. Number of employees on a full-time equivalent basis

This section shows the ratio between total number of hours worked by all Group employees, excluding overtime, and the contractually agreed annual total for a full-time employee. 2023, the number of employees calculated in this way is 422.35.

4. Profit or loss before tax

Profit or loss before tax is to be understood as the sum of items 290 and 320 (latter before tax) in the Consolidated Income Statement. For 2024, the profit is € 18,094,831.

5. Taxes on Profit or Loss

"Taxes on Profit or Loss" is to be understood as the sum of the taxes referred to in item 300 of the consolidated income statement as per Bank of Italy Circular 262 and the taxes relating to Groups of Assets held for sale. For 2024, they amount to € 3,067,259.

6. Public contributions received

Public grants received include grants received directly from public administrations. This item does not include operations carried out by central banks for financial stability purposes and operations that fall under State aid schemes approved by the European Commission. During the 2024 financial year, the Cambiano Banking Group received grants from the Regional Secretariat of MIBACT amounting to€ 153 thousand for restoration work on the building where the Parent Company's registered office is located and public grants for personnel training courses amounting to € 200 thousand.

COMPANY BALANCE SHEET

BANCA CAMBIANO 1884
SOCIETÀ PER AZIONI

COMPANY MANAGEMENT REPORT

Reference to other parts of the Budget

This Individual Management Report only includes comments on the Parent Company's performance. For all other information required by laws and regulations, please refer to what is set forth - in the context of the discussion of the specific topics - in the Notes to these individual financial statements or in the Consolidated Financial Statements and in the related Management Report.

In particular, reference should be made to the Notes to these individual financial statements for information on:

- information on the bank's transactions with related parties, which are set out in Part H;
- information on financial and operational risks, which are set out in Part E;
- to the information on assets, set out in Part F.

Please refer instead the Consolidated Management Report for details:

- economic scenario: scenario, national and international, national and local
- significant events during 2024
- organisational model: research and development and innovation activities
- the operational structure
- risk management and control
- significant events occurring after the end of financial year
- foreseeable evolution of operations

Key highlights

The following tables show the summary income statement and balance sheet data, calculated on the basis of the reclassified financial statements, prepared in the manner illustrated in the section containing the analysis of the Report's financial results.

SUMMARY BALANCE SHEET AND INCOME STATEMENT DATA			
figures in €/000			
ECONOMIC HIGHLIGHTS	**31/12/2024**	**31/12/2023**	**Change %**
Interest margin	79.175	85.024	-6,88%
Net commissions	30.934	31.540	-1,92%
Operating income	118.260	129.211	-8,47%
Total operating costs	72.705	71.796	1,27%
of which personnel expenses	34.583	32.598	6,09%
of which other administrative expenses	30.948	32.050	-3,44%
Result from operations	45.555	57.414	-20,66%
Net profit for the year	14.005	22.075	-36,56%

ASSET SUMMARY DATA	31/12/2024	31/12/2023	Change %
Total assets	4.384.166	4.809.335	-8,84%
Total risk-weighted assets (RWA)	1.639.408	1.699.286	-3,52%
Loans to customers (net)	2.810.188	3.035.687	-7,43%
of which non-performing loans	34.504	47.750	-27,74%

SUMMARY BALANCE SHEET AND INCOME STATEMENT DATA			
Total financial assets	930.914	994.574	-6,40%
Collection	5.352.767	5.069.940	5,58%
of which direct deposits	3.729.703	3.508.577	6,30%
of which indirect deposits	1.623.064	1.561.363	3,95%
Statutory shareholders' equity	285.062	269.304	5,85%
Class 1 capital (CET1)	241.503	224.247	7,69%
Total Own Funds	338.040	328.878	2,79%

STRUCTURAL DATA	31/12/2024	31/12/2023	Variation absolute
Employees (punctual number)	430	424	6
Employees (average value)	412	415	-3
Number of branches	44	44	0

ECONOMIC AND FINANCIAL RATIOS			
PROFITABILITY RATIOS (%)	**31/12/2024**	**31/12/2023**	**Change %**
Return on equity (ROE) (1)	5,17%	8,93%	-3,76%
Return on tangible equity (ROTE) (2)	5,27%	9,11%	-3,84%
Return on assets (ROA) (3)	0,32%	0,46%	-0,14%
Financial margin/operating income	67,41%	66,26%	1,15%
Net commissions/operating income	26,16%	24,41%	1,75%
Cost /Income (Operating expenses/Operating income) (4)	61,48%	55,57%	5,91%
STRUCTURE INDICES (%)			
Loans and advances to customers / Total assets	64,10%	63,12%	0,98%
Loans to customers / Direct customer deposits	75,35%	86,52%	-11,18%
Financial assets / Total assets	21,23%	20,68%	0,55%
Gross impaired loans/Gross loans to customers	7,07%	7,53%	-0,46%
Net impaired loans/Net loans to customers	4,12%	4,74%	-0,62%
OPERATIONAL PRODUCTIVITY DATA (€/1000)			
Receivables from customers/employees (average value)	6.821	7.315	-6,75%
Interest margin/employees (average value)	192	205	-6,20%
Net commissions/employees (average value)	75	76	-1,21%
Operating income/employees (average value)	287	311	-7,81%
Operating expenses/employees (average value)	176	173	2,00%
REGULATORY CAPITALISATION AND LIQUIDITY RATIOS			
CET1 ratio	14,73%	13,20%	1,53%
Tier 1 capital ratio	17,17%	15,55%	1,62%
Total capital ratio	20,62%	19,35%	1,27%

(1) ROE is calculated as ratio of net profit for the year to equity without net profit.

(2) ROTE is calculated as ratio of net profit for the year to , excluding net profit for the year and intangible assets.

(3) ROA is calculated as ratio of net profit for the year to total assets.

(4) The cost/income is calculated on the basis of the reclassified income statement (ratio of operating expenses to operating income). Calculated according to the schemes
of financial statements required Bank Italy Circular 262/2005 and subsequent updates, the Cost/Income is 64.21% (61.78% as at 31 December 2023).

Credit and financial intermediation

Analysis of balance sheet and profit and loss items

The main items of the balance sheet and profit and loss account as at 31 December 2024 are shown below, in thousands of Euro, with comparative figures shown.

For greater clarity in presenting the results of financial year, the accounting schedules provided by the Circular 262/2005 of the Bank Italy have been presented in reclassified form ([6]) . In particular:

- On-demand receivables from bank counterparties (included in item 10 "Cash and cash equivalents" were reclassified to "Loans a) due from banks";
- debt securities measured at amortised cost (included under item 40 "Financial assets measured at amortised cost") were reclassified to "Financial assets";
- loans compulsorily measured at fair value (included in item 20 c) "Financial assets measured at fair value through profit or loss - other assets compulsorily measured at fair value") were reclassified to "Loans";
- Receivables for "Tax bonuses", included in item 120 "Other assets" were reclassified to "Financial assets held for trading" and "Loans d) Other assets" on the basis of the business model adopted for their management;
- amounts due to institutional counterparties (included item 10 "Financial liabilities measured at amortised cost b) due to customers) were reclassified under item 10 "Due to banks and institutional counterparties b) due to institutional counterparties");
- Other liabilities' includes items 60 'Tax liabilities' and 80 'Other liabilities';
- the item 'Provisions for liabilities' includes items 90 'Staff Severance Indemnity Provision' and 100 'Provisions for liabilities and charges'.

Reclassified Balance Sheet

(figures in thousands)

Asset Items	31/12/2024	31/12/2023	Changes in amounts	Variations %
Case	15.241	15.516	**-275**	**-1,77%**
Financial assets	**930.914**	**994.574**	**-63.660**	**-6,40%**
(a) financial assets held for trading	98.293	103.754	-5.460	-5,26%
(b) financial assets designated at fair value	0	0	0	0,00%
(c) other financial assets mandatorily measured at fair value	39.828	29.372	10.455	35,60%
d) Financial assets measured at fair value with impact on overall profitability	173.170	474.949	-301.779	-63,54%
e) Financial assets measured at amortised cost	619.623	386.499	233.124	60,32%
- Banks	2.737	3.683	-946	-25,68%
- Clientele	616.886	382.816	234.070	61,14%
Financing	**3.254.662**	**3.587.680**	**-333.019**	**-9,28%**
(a) due from banks	264.169	405.145	-140.976	-34,80%
(b) loans to customers	2.810.188	3.035.687	-225.499	-7,43%
c) Loans mandatorily measured at fair value	95.579	68.212	27.366	40,12%
d) Other activities	84.726	78.636	6.090	7,75%
Participations	48.615	48.172	442	0,92%
Material activities	64.100	62.376	1.724	2,76%
Intangible Assets	5.090	4.852	238	4,91%
Fiscal activities	14.845	19.316	-4.471	-23,15%
Non-current assets and groups of assets held for sale	0	0	0	0,00%
Other Activities	50.700	76.849	-26.149	-34,03%
TOTAL ASSETS	**4.384.166**	**4.809.335**	**-425.169**	**-8,84%**

Liabilities and Shareholders' Equity	31/12/2024	31/12/2023	Changes in amounts	Variations %
Due to banks and institutional counterparties	**267.631**	**910.016**	**-642.385**	**-70,59%**
(a) due to banks	71.858	605.354	-533.496	-88,13%
(b) due to institutional counterparties	195.774	304.662	-108.889	-35,74%

[6] For more details on how the reclassified financial statements are presented, please refer to the annex 'Reconciliation between the Financial Statements and the Reclassified Financial Statements'.

Liabilities and Shareholders' Equity	31/12/2024	31/12/2023	Changes in amounts	Variations %
Direct collection	**3.729.703**	**3.508.577**	**221.125**	**6,30%**
(a) amounts due to customers	3.613.921	3.336.156	277.764	8,33%
(b) securities in issue	115.782	172.421	-56.639	-32,85%
Financial liabilities held for trading	420	442	-22	-4,98%
Tax liabilities	31	66	-34	-52,19%
Liabilities associated with discontinued operations	0	0	0	0,00%
Other liabilities	93.243	110.563	-17.320	-167,07%
Liabilities funds	8.075	10.367	-2.292	0,00%
TOTAL LIABILITIES	**4.099.104**	**4.540.031**	**-440.927**	**0,00%**
Net assets	**285.062**	**269.304**	**15.758**	**0,00%**
Valuation Reserves	-1.064	-7.783	6.719	16,80%
Redeemable shares	0	0	0	0,00%
Capital instruments	40.000	40.000	0	0,00%
Reserves	-21.482	-38.591	17.109	6,77%
Issue surcharges	803	803	0	0,00%
Capital	252.800	252.800	0	0,00%
Own shares (-)	0	0	0	0,00%
Profit/loss for the year	14.005	22.075	-8.069	-36,56%
TOTAL LIABILITIES AND EQUITY	**4.384.166**	**4.809.335**	**-425.169**	**-8,84%**

Financial assets

Financial assets include financial assets held by the bank and allocated to the various business lines. As at 31 September 2024, the item amounted to€ 931 million with a decrease in the year of €64 million (-6.40%). The decrease recorded by the item in the period is mainly attributable to the reduction in government securities allocated in the HTCS portfolio with impact to OCI (-€301.9m) only partially offset by the increase in government securities measured at amortised cost (+€233.1m).

FINANCIAL ASSETS				
figures in €/000				
Type of transactions/values	**31/12/2024**	**31/12/2023**	**Var. absolute**	**Var. %**
Debt Securities	867.857	934.718	-66.861	-7,15%
(a) Securities held for trading	86.043	83.941	2.102	2,50%
(b) Securities designated at fair value	0	0	0	0,00%
c) Securities mandatorily measured at fair value	3.426	3.651	-225	-6,17%
d) Securities measured at fair value with impact on comprehensive income	158.765	460.627	-301.862	-65,53%
e) Securities valued at amortised cost	619.623	386.499	233.124	60,32%
- Banks	2.737	3.683	-946	-25,68%
- Clientele	616.886	382.816	234.070	61,14%
Equities and OICR units	56.398	40.043	16.354	40,84%
(a) Securities held for trading	5.591	0	5.591	0,00%
(b) Securities designated at fair value	0	0	0	0,00%
c) Securities mandatorily measured at fair value	36.402	25.722	10.681	41,52%
d) Securities measured at fair value with impact on comprehensive income	14.405	14.322	83	0,58%
Derivative Instruments	422	618	-197	-31,83%
(a) Trading financial derivatives	422	618	-197	-31,83%
(b) Trading financial derivatives	0	0	0	0,00%
Other Activities	6.238	19.194	-12.956	-67,50%
(a) Other assets held for trading	6.238	19.194	-12.956	-67,50%
(b) Other assets designated at fair value			0	0,00%
c) Other assets mandatorily measured at fair value			0	0,00%
d) Other assets measured at fair value with impact on comprehensive income			0	0,00%
Total Financial Assets	**930.914**	**994.574**	**-63.660**	**-6,40%**

Loans - Loans to customers

Loans - Loans to customers include loans valued at amortised cost held with ordinary customers.

As at 31 December 2024, loans and advances to customers amounted to € 2,810 million with a decrease in the reporting period of € 180 million (-7.43%). In particular, as shown in the table below, the reduction was mainly attributable to the component of mortgages and loans, which recorded a decrease of

Euro 180 million deriving from the only partial replacement of loans expired in the period, as well as from the sale of NPL loans concluded in December for a total of Euro 28 million, of which non-performing loans for Euro 6 million and UTPs for Euro 22 million in accordance with the Strategic Plan.

LOANS: B) LOANS TO CUSTOMERS				
figures in €/000				
Type of transactions/values	**31/12/2024**	**31/12/2023**	**Absolute Var.**	**Var. %**
1. Current accounts	684.568	697.365	-12.797	-1,84%
2. Mortgages and Financing	1.698.148	1.792.293	-94.145	-5,25%
3. Portfolio	7.655	8.712	-1.057	-12,14%
4. Securitised mortgages	83.025	112.668	-29.644	-26,31%
5. Self-securitised mortgages	292.677	341.276	-48.599	-14,24%
6. Other Financing	40.637	48.215	-7.578	-15,72%
7. Gross non-performing loans	85.037	95.016	-9.979	-10,50%
8. Write-downs on non-performing loans	-50.533	-47.266	-3.267	6,91%
9. Total write-downs	0	0	0	-
17. UTP Adjustments	-37.538	-44.153	6.616	-14,98%
18. PD Adjustments	-2.369	-1.412	-957	67,77%
19. Bonis Stage 2 Adjustments	-8.802	-8.605	-197	2,29%
20. Bonis Stage 1 Adjustments	-7.555	-7.765	210	-2,70%
Total net lending to ordinary customers	**2.784.949**	**2.986.343**	**-201.394**	**-6,74%**
10. Receivables from Pontormo RMBS	7.959	10.720	-2.761	-25,76%
11. Receivables from Pontormo SME	10.588	14.221		
12. Receivables from the Post Office	266	264	1	0,47%
13. Receivables from C.C. & G.	6.427	24.138	-17.712	-73,38%
14. Receivables from C.D.P.	0	0	0	-
16. Receivables from C.C.& G. for active P/T transactions	0	0	0	-
Total other net uses	**25.239**	**49.344**	**-24.105**	-48,85%
Total loans to customers	**2.810.188**	**3.035.687**	**-225.499**	**-7,43%**

Quality of credit

The following tables show the figures for loans to customers broken down by category, indicating by each of gross value, total adjustments, net value and coverage ratio.

CREDIT QUALITY AS AT 31/12/2024				
	Exposure gross	**Adjustments total**	**Exposure net**	**Degree of coverage**
ON-BALANCE-SHEET CREDIT EXPOSURES				
Stage 3 - Loans and advances to customers - non-performing loans	85.037	50.533	34.504	59,42%
Stage 3 - Loans and advances to customers - UTP	106.188	37.538	68.650	35,35%
Stage 3 - Loans and advances to customers - Overdue	15.101	2.369	12.733	15,69%
Total impaired loans	**206.327**	**90.439**	**115.887**	**43,83%**
Stage 2 - Loans and advances to customers	285.202	8.802	276.400	3,09%
Stage 1 - Loans and advances to customers	2.425.456	7.555	2.417.901	0,31%
Total performing loans	**2.710.658**	**16.357**	**2.694.300**	**0,60%**
Total loans and advances to customers	**2.916.985**	**106.797**	**2.810.188**	**3,66%**
Total Cash Credit Exposures	**2.916.985**	**106.797**	**2.810.188**	**3,66%**

The impaired loans to customers valued at amortised cost Banca Cambiano 1884 S.p.A. amount to a gross value of €206.3 million, to which specific value adjustments of €90.4 million are associated, resulting in a net value of €115.9 million.

The coverage ratio of impaired loans to customers measured at amortised cost at 31 December 2024 was 43.83%. In particular, the above-mentioned impaired loans, classified according to the provisions of IFRS 9 "Financial Instruments" in the so-called "third stage", include non-performing loans for a net value of€ 34.5 million, with a coverage ratio of 59.42% and probable defaults for a net value of
€ 68.7 million, with a coverage ratio of 35.35%.

Non-impaired loans to customers valued at amortised cost of Banca Cambiano 1884 S.p.A. amounted to a gross value of €2,710.7 million, to which portfolio adjustments of €16.4 million were associated, resulting in a net value of€ 2,694.3 million, with a coverage ratio of 0.60%. Among them, loans to customers for non-impaired loans at higher risk, classified in the so-called "second stage", amounted to € 285.2 million gross with a coverage ratio of 3.09%.

The following table shows a series of indicators designed to give a summary representation of the quality of the credit:

CREDIT QUALITY INDICES			
	31/12/2024	31/12/2023	Delta
% OF NET RECEIVABLES			
% Net non-performing loans out of total loans	1,23%	1,57%	-0,35%
% Net probable defaults on total loans	2,44%	2,69%	-0,25%
% Net overdue on total net loans	0,45%	0,47%	-0,02%
% Total net impaired loans on total net loans	4,12%	4,74%	-0,62%
% OF GROSS RECEIVABLES			
% Gross non-performing loans out of total gross loans	2,92%	3,02%	-0,11%
% Gross probable defaults on total loans	3,64%	4,01%	-0,36%
% Gross overdue on total loans	0,52%	0,50%	0,02%
% Total gross impaired loans out of total gross loans	7,07%	7,53%	-0,46%
% COVERAGE			
% coverage on non-performing loans	59,42%	49,75%	9,68%
% coverage on Impaired Other	32,90%	32,14%	0,76%
% of coverage on total Deteriorated	43,83%	39,21%	4,63%
% coverage on performing loans	0,60%	0,56%	0,04%
% coverage on performing loans - Stage 2	*3,09%*	*2,84%*	*0,24%*
% coverage on performing loans - Stage 1	*0,31%*	*0,30%*	*0,01%*

Texas ratio	55,70%	66,27%

Participations

The item **Equity investments** includes shares for which a situation of control, joint control, or significant influence exists. The equity investments held by the Bank are represented by the subsidiaries Cambiano Leasing SpA and Immobiliare 1884 Srl and two companies subject to significant influence, C.H. Spa and Cabel Industry Spa.

With specific reference to the subsidiary CH S.p.A., it should be noted that on 24 July 2024, the term of the usufruct right on 20% of the investee company's shares, previously established in favour of a Pro Bono Trust, expired; in the absence of its renewal, the Trust ceased to exist as of 25 July 2024, with the consequent reinstatement of the voting rights exercisable in the amount of 49.60% entirely in the hands of the Bank.

In consideration of significance of the shareholding held by the Bank, and the relative share of voting rights exercisable in the shareholders' meeting of C.H. S.p.A. following the change in the voting rights that can be exercised due to the events mentioned above, it became necessary to assess whether the subsidiary's classification as an associated company should be maintained, taking into consideration the provisions of IFRS 10 for the analysis of the presence of the requirements of control, examining i) the subsidiary's shareholding structure, ii) the composition of the management body, iii) the composition of the majorities of shareholders' meetings and iv) the resolutions passed by the subsidiary with reference to relevant matters. Based on the results of this assessment, it was deemed that, with reference to the financial statements for the year ended 31 December 2024, the elements necessary to configure a controlling relationship in the subsidiary CH S.p.A. do not exist, which is therefore maintained under investments in associates with significant influence.

The Bank's shareholding structure as at 31 December 2024 is shown in the table below:

PARTICIPATIONS

figures in €/000

Designations	31/12/2024		31/12/2023		Variations	Change %
	% c.s. detained	Balance sheet value	% c.s. detained	Balance sheet value		
1. Cambiano Leasing s.p.a.	95,000%	18.739	95,00%	18.739	0	0,00%
2. Immobiliare 1884 s.r.l.	100,000%	13.500	100,00%	13.500	0	0,00%
3. C. H. s.p.a. (1)	49,600%	14.818	49,60%	14.569	248	1,71%
4. Cabel Industry s.p.a.	8,040%	1.558	8,04%	1.364	194	14,22%
Totals		**48.615**		**48.172**	**442**	**0,92%**

([1]) During Q3 2019, a Trust was set up to which the Bank sold in USUFUTURE 20% of the shares held in C. H. S.p.A. The cost and book value remained unchanged while the number of shares (for the purpose of the % of voting rights exercisable at the Shareholders' Meeting) decreased from 49.60% to 29.60%. On 24/07/2024 the term of the aforementioned usufruct right expired and, in the absence of its renewal, pursuant to art. 12 of the regulation the Trust ceased to exist as of 25 July 2024.

The change recorded in the period in the item equity investments is due to the changes in the Bank's shareholding structure resulting from the transactions described above and to the change in the equity of the investees - in relation to the share held by the Bank - as a result of both the capitalisation of the 2023 results approved by the respective Shareholders' Meetings and the results recorded as at 30 September 2024 approved by the Boards of Directors of the companies.

Intangible fixed assets

Intangible assets include intangible assets amounting to€ 654 thousand as at 31/12/2024 (after amortisation accrued in the current year) as a balancing entry to the badwill arising from the fair value measurement in accordance IFRS 3 of the assets and liabilities of the business unit acquired in 2023 of BCC for Web.

Overall collection

The table below shows the breakdown of total funding from ordinary customers as at 31 December 2024 compared with the figures as at 31 December 2023.

ECONOMIC COLLECTION				
figures in €/000				
Description	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
Due to customers	3.613.921	3.336.156	277.764	8,33%
Outstanding Securities	115.782	172.421	-56.639	-32,85%
Total direct deposits	**3.729.703**	**3.508.577**	**221.125**	**6,30%**
Indirect - Administered	1.047.055	943.046	104.009	11,03%
Indirect - Funds	129.354	112.685	16.670	14,79%
Indirect - GPM	124.700	87.598	37.101	42,35%
Indirect - Insurance	321.955	418.034	-96.079	-22,98%
Indirect deposits	**1.623.064**	**1.561.363**	**61.701**	**3,95%**
Overall collection	**5.352.767**	**5.069.940**	**282.827**	**5,58%**

Type of transactions/values	31/12/2024	31/12/2023	Variation	Change %
1. Current accounts	2.715.495	2.743.863	-28.368	-1,03%
2. Deposits	31.752	37.576	-5.824	-15,50%
3. Time deposit	850.799	529.969	320.831	60,54%
4. Liabilities in respect of assets sold	0	0	0	0,00%
5. P.C.T. with ordinary customers	0	12.319	-12.319	-100,00%
6. Certificates of Deposit	0	15	-15	-100,00%
7. Bonds	115.782	172.406	-56.623	-32,84%
8. Lease Payables	15.874	12.429	3.445	27,72%
9. Other Payables	0	0	0	0,00%
Total direct deposits	**3.729.703**	**3.508.577**	**221.125**	**6,30%**

Total funding (direct, administered, managed and insurance) stood €
5,353 million, an increase of € 282 8 million (+ 5.58%) compared to the figure as at 31 December 2023.

In particular, the item Due to customers increased by €277.8 million (+8.33%) due to the increase in time deposits (+60.54%), while the item Securities in issue decreased by€ 56.6 million (-32.84%) due to the repayment of bonds that matured during the reporting period.

Indirect deposits increased € 61.7 million (+3.95%) during the period, attributable to the increase in the components of assets under administration, GPM and mutual funds for a total of€ 157.8 million (+ 13.80%), partially offset by the decrease in the insurance segment.

Financial collection

The table below shows the breakdown of total funding from banks and institutional counterparties as at 31 December 2024 compared with the figures as at 31 December 2023.

FINANCIAL COLLECTION				
figures in €/000				
Description	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
Due to banks	71.858	605.354	-533.496	-88,13%
Due to institutional counterparties	195.774	304.662	-108.889	-35,74%
Total Financial Inflows	**267.631**	**910.016**	**-642.385**	**-70,59%**

Type of transactions/values	31/12/2024	31/12/2023	Variation	Change %
1. Eurosystem operations	0	549.300	-549.300	-100,00%
Due to central banks	**0**	**549.300**	**-549.300**	**-100,00%**
2. Current accounts	64.250	50.459	13.791	27,33%
3. Deposits	0	0	0	0,00%
4. Gold financing from banks	7.607	5.594	2.013	35,99%
5. Mortgages payable	0	0	0	0,00%
Due to other banks	**71.858**	**56.054**	**15.804**	**28,19%**
Total due to banks	**71.858**	**605.354**	**-533.496**	**-88,13%**
6. P.C.T. others	128.924	203.249	-74.325	-36,57%
7. Funding taken from C.D.P.	0	0	0	0,00%
8. Liabilities in respect of assets sold	66.849	101.413	-34.564	-34,08%
Total payables to institutional counterparties	**195.774**	**304.662**	**-108.889**	**-35,74%**
Total financial collection	**267.631**	**910.016**	**-642.385**	**-70,59%**

Financial Inflows stood at € 268 million as at 31 December 2024 with a reduction of € 642 million (-70.59%) compared to 31 December 2023 to be attributed to the reduction in liabilities to central banks of -€ 549 million due to the total repayment of TLTROIII deposits made in March and September 2024 in adherence to the business plan and liabilities to institutional counterparties of€ 108,9 million (-35.74%) as a result of the reduction in repurchase agreements for € 74.3 million and the repayment of the maturing portion of the liabilities acquired against the securitisation transaction concluded in September 2023 for € 34.6 million.

Net interbank position

NET INTERBANK POSITION				
ACCOUNTS RECEIVABLE FROM BANKS				
figures in €/000				
Type of transactions/values	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
1. Current accounts and sight deposits with central banks	78.000	278.062	-200.062	-71,95%
2. Reserve requirements	28.094	29.508	-1.413	-4,79%
Claims on central banks	**106.094**	**307.569**	**-201.475**	**-65,51%**
3. Current accounts and sight deposits with banks	37.870	47.464	-9.594	-20,21%
4. Maturity Deposits	50.098	50.112	-14	-0,03%
5. Repos	70.107	0	70.107	0,00%
6. Other Financing	0	0	0	0,00%
Loans and advances to other banks	**158.075**	**97.576**	**60.499**	**62,00%**
Total credits (A)	**264.169**	**405.145**	**-140.976**	**-34,80%**

DUE TO BANKS				
figures in €/000				
Type of transactions/values	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
1. Eurosystem operations	0	549.300	-549.300	-100,00%
Due to central banks	**0**	**549.300**	**-549.300**	**-100,00%**
2. Current accounts	64.250	50.459	13.791	27,33%
3. Deposits	0	0	0	0,00%
4. Gold financing from banks	7.607	5.594	2.013	35,99%
5. Mortgages payable	0	0	0	0,00%

DUE TO BANKS				
figures in €/000				
Type of transactions/values	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
Due to other banks	**71.858**	**56.054**	**15.804**	**28,19%**
Total payables (B)	**71.858**	**605.354**	**-533.496**	**-88,13%**
Credit/debit balance (A) - (B)	**192.312**	**-200.208**	**392.520**	**-196,06%**
Imbalance with central banks	**106.094**	**-241.731**	**347.825**	**-143,89%**
Interbank balance with other banks	**86.217**	**41.522**	**44.695**	**107,64%**

The net interbank position as at 31 December 2024 was positive by € 192.3 million with an increase of € 392.5 million (196.06%) compared to the figure recorded as at 31 December 2023, mainly due to the repayment of TLTROIII deposits in March and September 2024.

Accounting Net Assets

As of 31 December 2024, book equity amounted to € 285.1 million, an increase from the 31 December 2023 figure of € 269.3 million, as shown in the table below. The change is attributable to the profit for the period and the increase in fair value recorded on securities allocated in the HTCS portfolio in the amount of € 6.7 million, net of tax effect.

COMPOSITION OF STATUTORY ASSETS				
figures in €/000	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
Capital	252.800	252.800	0	0,00%
Issue surcharges	803	803	0	0,00%
Capital instruments	40.000	40.000	0	0,00%
Reserves	-21.482	-38.591	17.109	-44,33%
(Own shares)	0	0	0	0,00%
Valuation Reserves	-1.064	-7.783	6.719	-86,33%
Profit (loss) the year	14.005	22.075	-8.069	-36,56%
Total statutory shareholders' equity	**285.062**	**269.304**	**15.758**	**5,85%**

Income trend

The financial year 2024 ended with a net profit of€ 14,005 thousand.

Below, we provide, in thousands of Euro, the main economic aggregates as of 31 December 2024 compared to the same figure as of 31 December 2023.

The results are presented in a reclassified version with respect to the accounting schemes provided for in the Circular
262/2005 and subsequent updates by the Bank of Italy (1). The main reclassifications concern the following items:

- the item 'Commission expense' was reduced by commissions recovered from customers and allocated to item 200 'Other operating charges/income';
- The item "Net result on finance" includes items 80, 90, 100, and 110 of the balance sheet, net of the components of gains and losses related to the sale of loans reclassified under the item "Net value adjustments on loans to customers";
- the item "Other net operating income/expenses" was reduced by recoveries of commissions and expenses, which were deducted from the relevant cost items, expenses for lawsuits covered using pre-existing funds, and the badwill that emerged in 2023 with the PPA process allocated to an own item, in connection with the acquisition of the BCC for Web business unit (transaction completed in the previous year);
- the item 'Staff expenses' was reduced by the recovery of staff expenses allocated to item 200 'Other operating expenses/income';
- The item 'Other administrative expenses' was stated net of the following components:
    - recoveries of indirect taxes and other costs, allocated to item 200 "Other operating income and expenses" of the accounting schedule;

  - o contributions to the SRF and FITD funds, reclassified under the specific item "Charges related to the banking system";

  This item, net of the above reclassifications, provides a better representation of the bank's management cost dynamics.

- The item 'Value Adjustments on Tangible and Intangible Assets' was reduced by the amortisation of intangible assets recognised as a result of the PPA of the acquired business , reclassified under the item 'Impairment of Goodwill / Amortisation of Intangible Assets (PPA)';
- The item "Net value adjustments on loans to customers" includes items 130(a) and 140 of the schedule accounting and gains and losses from the sale of receivables as specified above;
- the item "Net accruals to the provisions for and charges" was reduced by expenses for lawsuits covered by provisions for risks set aside in previous years, which were allocated to item 200 "Other operating income and expenses" in the balance sheet;
- The item "Charges related to the banking system" includes contributions paid to the FITD (Interbank Deposit Protection Fund) reclassified under item 160 b "Other administrative expenses";
- the item PPA shows the effects arising from the PPA (Purchase Price Allocation) process related to the acquisition of BCC for Web completed during the year 2023 and allocated to item 200 "Other operating income and expenses" of the statement of accounts.

Reclassified profit and loss account

Items Income Statement	31/12/2024	31/12/2023	Changes in amounts	Variations %
Interest and similar income	173.288	159.815	13.474	8,43%
Interest expenses and similar charges	-94.114	-74.791	-19.323	25,84%
Interest margin	79.175	85.024	-5.849	-6,88%
Dividends and similar income	544	588	-44	-7,53%
Financial Margin	**79.719**	**85.612**	**-5.893**	**-6,88%**
Commission income	36.524	36.962	-438	-1,18%
Commissions payable	-5.590	-5.422	-169	3,11%
Net commissions	30.934	31.540	-606	-1,92%
Net result from finance	7.619	11.168	-3.550	-31,78%
Other net operating income/expenses	-11	890	-901	-101,19%
Other operating income	**38.542**	**43.599**	**-5.057**	**-11,60%**
Operating income	**118.260**	**129.211**	**-10.950**	**-8,47%**
Personnel Expenses	-34.583	-32.598	-1.984	6,09%
Other administrative expenses	-30.948	-32.050	1.102	-3,44%
Net value adjustments/reversals on tangible and intangible assets	-7.175	-7.148	-26	0,37%
Operating expenses	**-72.705**	**-71.796**	**-909**	**1,27%**
Result from operations	**45.555**	**57.414**	**-11.859**	**-20,66%**
Net value adjustments on loans to customers	-26.791	-23.789	-3.003	12,62%
Net Value Adjustments on Securities and Other Financial Assets	284	344	-59	-17,30%
Net provisions for risks and charges: guarantees and commitments	-286	-122	-164	134,00%
Net value adjustments for credit risk	**-26.793**	**-23.567**	**-3.226**	**13,69%**
Net provisions for liabilities and charges: other	1.826	-163	1.988	-1222,79%
Gains (Losses) from participations	442	-324	767	-236,34%
Gains (Losses) on disposal of investments	-234	89	-323	-364,08%
Charges related to the banking system (contributions to DGS and FITD funds)	-3.971	-5.950	1.979	-33,26%
Gross income from current operations	**16.826**	**27.498**	**-10.673**	**-38,81%**
Income tax for year on current operations	-2.355	-6.374	4.018	-63,05%
Net result from current operations	**14.470**	**21.125**	**-6.655**	**-31,50%**
PPA	0	1.291	-1.291	-100,00%
Goodwill Impairment / Amortisation of Intangible Assets	-465	-272	-193	71,03%
Profit (Loss) from discontinued operations after tax	0	-70	70	-100,00%
Profit (loss) the year	**14.005**	**22.075**	**-8.069**	**-36,56%**

(1) For more details on how the reclassified financial statements are presented, please refer to the annex 'Reconciliation of the reclassified financial statements'.

Net interest income amounted to € 79.18 million, down from the figure reported at 31/12/2023. Within aggregate, the component referring to intermediation with customers shows a reduction of € 27.7 million, or - 27.94% compared to 2023 due to the increase in rates paid to customers on the

the more stable component of direct funding represented by time deposits, while the component referring to banking intermediation, showed a positive contribution of € 3.5 million with a significant increase compared to the figure recorded at 31/12/2023 equal to -€ 15.3 million due to the effect of the increase in interest income received on sums deposited with the Bank Italy and the simultaneous reduction in interest paid on deposits payable with particular reference to TLTROIII transactions, which fell from -€ 24.6 million to -€ 11.9 million.

The share attributable to securities increased due to the increase in interest received on financial assets represented by securities.

The portion attributable to other financial assets and liabilities decreased, as the cost of liabilities issued against assets sold and not derecognised was higher than the increase in interest income received on tax credits.

That being said, the table below provides a breakdown of the interest margin.

	INTEREST MARGIN				
	figures in €/000	**31/12/2024**	**31/12/2023**	**Absolute Var.**	**Change %**
TOTAL	Interest and similar income	173.288	159.815	13.474	8,43%
	Interest expenses and similar charges	-94.114	-74.791	-19.323	25,84%
	Interest margin	**79.175**	**85.024**	**-5.849**	**-6,88%**
with CLIENTELA	Interest and similar income	141.671	139.917	1.754	1,25%
	Interest expenses and similar charges	-70.312	-40.894	-29.418	71,94%
	Customer Interest Margin	**71.359**	**99.023**	**-27.664**	**-27,94%**
with BANKS	Interest and similar income	15.994	9.890	6.105	61,73%
	Interest expenses and similar charges	-12.486	-25.275	12.789	-50,60%
	of which: interest on TLTROIII	*-11.860*	*-24.595*	*12.734*	*-51,78%*
	Margin interest with the banking system	**3.508**	**-15.386**	**18.894**	**-122,80%**
on TITLES	Interest and similar income	10.081	6.391	3.690	57,75%
	Interest expenses and similar charges	-6.782	-6.981	199	-2,85%
	Interest margin on securities	**3.299**	**-590**	**3.889**	**-659,22%**
OTHER	Interest and similar income	5.541	3.617	1.924	53,21%
	Interest expenses and similar charges	-4.533	-1.641	-2.892	176,25%
	Residual interest margin	**1.008**	**1.976**	**-968**	**-48,98%**

Net commissions amounted to € 30.9 million, down from the figure reported as at 31 December 2023. In particular, there was a slight decrease in commissions related to the distribution of third-party services, due to the reduction in the underwriting of insurance policies, and in commissions received on management, brokerage and advisory services; this reduction was partially offset by the increase recorded during the year in commissions received on "traditional" services (commissions for collection and payment services and commissions on current accounts).

	NET COMMISSIONS				
	figures in €/000	**31/12/2024**	**31/12/2023**	**Var. absolute**	**Change %**
TOTAL	Commission income	36.524	36.962	-438	-1,18%
	Commissions payable	-5.590	-5.422	-169	3,11%
	Net commissions	**30.934**	**31.540**	**-606**	**-1,92%**
from management, brokerage and consultancy	Commission income	5.145	6.222	-1.077	-17,31%
	Commissions payable	-2.144	-2.130	-14	0,66%
	Net commissions	**3.001**	**4.092**	**-1.091**	**-26,66%**
from the distribution of third-party services	Commission income	4.698	4.898	-200	-4,09%
	Net commissions	**4.698**	**4.898**	**-200**	**-4,09%**
from payment services	Commission income	22.016	21.111	905	4,29%
	Commissions payable	-1.987	-2.093	107	-5,09%
	Net commissions	**20.029**	**19.017**	**1.012**	**5,32%**
from other services	Commission income	4.666	4.731	-66	-1,39%

	NET COMMISSIONS				
	figures in €/000	31/12/2024	31/12/2023	Var. absolute	Change %
	of which: financing transactions and guarantees given	*1.675*	*1.759*	*-84*	*-4,79%*
	Commissions payable	-1.460	-1.198	-261	21,80%
	Net commissions	**3.206**	**3.533**	**-327**	**-9,25%**

Operating income amounted to € 118.3 million as at 31 December 2024, down from the figure recorded as at 31 December 2023.

OPERATING INCOME				
figures in €/000	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
Interest margin	**79.175**	**85.024**	**-5.849**	**-6,88%**
Dividends and similar income	544	588	**-44**	**-7,53%**
Financial Margin	**79.719**	**85.612**	**-5.893**	**-6,88%**
Total net commissions	**30.934**	**31.540**	**-606**	**-1,92%**
Net result from finance	7.619	11.168	**-3.550**	**-31,78%**
Other net operating income/expenses	-11	890	**-901**	**-101,19%**
Operating income	**118.260**	**129.211**	**-10.950**	**-8,47%**

As can be seen from the table, the overall reduction in operating income of € 10.95 million is due to the decrease in Net Profits from Financial Instrument Trading of € 3.6 million and Other Operating Income of € 0.9 million, which is in addition to the reduction in net commissions and financial margin already detailed above.

In particular, the € -3.6 million reduction in Net income from financial instrument trading was attributable to profits on the sale of securities measured at amortised cost (€ 1.3 million) and the € -0.7 million reduction in Net trading income (€ -0.9 million) due to the € -0.9 million reduction in realised gains on securities trading and the € -1.3 million reduction in profits on tax credits acquired from customers, only partly offset by the € 1.4 million increase in foreign exchange gainsDuring the period, there was a reduction in the value of financial assets mandatorily measured at fair value for a total of -€ 2.7 million, mainly attributable to the valuation of the "FIA" funds allocated to this portfolio.

NET RESULT OF FINANCE				
figures in €/000	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
NET RESULT OF FINANCE	**7.619**	**11.168**	**-3.550**	**-31,78%**
Net trading income	**9.499**	**10.226**	**-727**	**-7,11%**
(a) Currencies	3.461	2.022	1.440	71,20%
(b) Financial assets FVTPL Trading	3.095	3.994	-899	-22,50%
c) Other financial assets (tax receivables)	2.943	4.211	-1.268	-30,11%
Net result from hedging activities	**0**	**0**	**0**	**0,00%**
Valuation gains/losses - Hedging derivatives	0	0	0	0,00%
Gains (losses) on disposal or repurchase of:	**2.260**	**2.364**	**-104**	**-4,40%**
a) Financial assets measured at FV with impact to OCI	965	666	299	44,98%
(b) Financial assets measured at CA	1.274	1.542	-267	-17,34%
c) Financial liabilities	20	157	-136	-86,98%
Net result Financial assets and liabilities measured at FV with impact at EC	**-4.141**	**-1.422**	**-2.719**	**191,23%**
Financial assets mandatorily measured at fair value	-4.141	-1.422	-2.719	191,23%
of which: AIF funds	*-4.596*	*-2.784*	*-1.811*	*65,06%*
of which: other securities	*455*	*1.362*	*-907*	*-66,60%*

With reference to the item **Other operating income/expenses**, the reduction compared to the figure as at 31 December
2023 (-€ 901 thousand) is mainly attributable to the decrease in Other Income of -€ 778 thousand.

	OTHER OPERATING INCOME AND EXPENSES				
	figures in €/000	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
TOTAL	Other operating income	501	1.279	-778	-60,81%
	Other operating charges	-512	-388	-123	31,77%
	Total	**-11**	**890**	**-901**	**-101,19%**

Other income	Contingent assets	52	765	-714	-93,23%
	Other income	449	514	-64	-12,49%
	of which: services to Parent and/or Subsidiaries	*277*	*267*	*10*	*3,75%*
	Other income	**501**	**1.279**	**-778**	**-60,81%**

Other charges	Depreciation of third-party assets	-229	-215	-13	6,25%
	Expenses for lawsuits not covered by Funds	-7	-12	4	-37,32%
	Contingent liabilities	-247	-155	-92	59,44%
	Other charges	-28	-6	-22	358,43%
	Other charges	**-512**	**-388**	**-123**	**31,77%**

As at 31 December 2024, operating expenses amounted to€ 72.7 million, an increase of€ 0.9 million (+ 1.27%) compared to the figure as at 31 December 2024 as shown in the table below.

OPERATING COSTS				
figures in €/000	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
Administrative expenses:	-65.531	-64.648	-883	1,37%
(a) personnel expenses	-34.583	-32.598	-1.984	6,09%
(b) other administrative expenses	-30.948	-32.050	1.102	-3,44%
Net value adjustments/reversals on tangible and intangible assets	-7.175	-7.148	-26	0,37%
Operating Costs	**-72.705**	**-71.796**	**-909**	**1,27%**

In particular, personnel expenses increased by € 2.0 million as a result of the charges associated with the renewal of the sector contract in the second half of 2023 and the reduction in reimbursements of training expenses, while other administrative expenses, net of expected recoveries, decreased by € -1.1 million as the increases recorded in tax expenses (mainly stamp duty) for € -932 thousand and entertainment expenses for € -297 thousand, are offset by the increase in recoveries of administrative expenses from customers for € 1.411 thousand and the reduction in expenses for electricity and for information and searches for a total of € 556 thousand.

The **gross result from current operations** decreased by -€ 10.7m to € 16.8m, compared to the figure as at 31 December 2023.

Net valuation adjustments on loans to customers showed an increase compared to those recorded in the previous year totalling € -3,003 thousand as the increase in valuation adjustments of -€ 7.415 thousand, was only partially offset by lower losses recorded on NPL loan disposal transactions concluded in the last quarter of the year with a total impact on the income statement of € 569 thousand -€ 5,514 thousand as at 31/12/2023 - and a lower impact on the income statement of € 4,945 thousand.

With reference to the net value adjustments deriving from the valuation of loans in portfolio as of 31/12/2024, the Board of Directors, in its meeting of 19 December, resolved to release the add-ons aimed at coping with the risks deriving from the increase in interest rates and inflationary pressure (equal € 2.12 million as of 31 December 2023) and, given the persistent signs of particular riskiness in the European real estate market for commercial collateral, also resolved to maintain the add-ons relating to exposures to companies guaranteed by commercial real estate.

The maintenance of the management overlays identified, resulted, with reference to the Bank's loan portfolio at the reference date of 31/12/2024, in an increase in impairment on Stage 1 of about€ 169 thousand and an increase in impairment on Stage 2 of about € 359 thousand, resulting in a total add-on of € 528 thousand.
In light of the growing relevance in terms of the economic impact of climate and environmental risks, management overlays were also determined to protect against these risks, as a first approach for the inclusion of the so-called ESG effects in the calculation of write-downs. Therefore, the inclusion of specific add-ons on the write-downs of the positions classified as Stage 1 and Stage 2 most impacted by physical and transition risk within the loan portfolio was envisaged. In particular:
- For physical risk, i.e., the risk of incurring financial losses from acute environmental events such as ,hurricanes and heat waves, or chronic changes such rising sea levels or rising average temperatures, the Risk Management Function proposes to include a write-down add-on based on a

increase in Loss Given Default (LGD) for counterparties most affected by this risk. The scope of application will include both real estate registered as company headquarters and positions backed by real estate collateral.

- For transition risk, i.e., the risk of incurring potential negative effects from the process of transition to a low-carbon economy, taking into account that the companies most exposed to this risk could suffer an increase in operating costs, a reduction in demand for their products or services or greater difficulty in accessing credit, the Risk Management Function proposes to include an impairment add-on to reflect the increased probability of default of the counterparties most affected by transition risks. The introduction of management overlays on climate and environmental risks resulted, with reference to the Bank's loan portfolio as at 31/12/2024, in an increase in impairment on Stage 1 of about € 694 thousand and an increase in impairment on Stage 2 of about € 1.42 million.

The total amount of add-ons applied on the Bank's loan portfolio as at 31/12/2024 therefore amounted to € 2.65 mln, divided into approximately € 863 thousand on Stage 1 and € 1.78 mln on Stage 2.

In addition to the impact on write-downs of the application of the add-on criteria outlined above, it is necessary to consider the integration of the effects due to the updating of macroeconomic scenarios based on the most recent projections published by the Bank of Italy (so-called Forward Looking components) with reference to December 2024. These updates led to an increase in write-downs of € 968 thousand on performing positions and € 567 thousand on non-performing positions, valued on a lump-sum basis.

GROSS RESULT FROM CURRENT OPERATIONS				
figures in €/000	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
Operating income	**118.260**	**129.211**	**-10.950**	**-8,47%**
Operating expenses	**-72.705**	**-71.796**	**-909**	**1,27%**
Result from operations	**45.555**	**57.414**	**-11.859**	**-20,66%**
Net value adjustments on loans to customers	-26.791	-23.789	**-3.003**	**12,62%**
of which: gains/losses on disposal	*-569*	*-5.514*	***4.945***	***-89,67%***
of which: net value adjustments	*-25.827*	*-18.412*	***-7.415***	***40,28%***
of which: profit/loss from contractual changes	*-395*	*137*	***-532***	***-387,62%***
Net Value Adjustments on Securities and Other Financial Assets	284	344	**-59**	**-17,30%**
Net provisions for risks and charges: guarantees and commitments	-286	-122	**-164**	**134,00%**
Net value adjustments for credit risk	**-26.793**	**-23.567**	**-3.226**	**13,69%**
Net provisions for liabilities and charges: other	1.826	-163	**1.988**	**-1222,79%**
Gains (Losses) from participations	442	-324	**767**	**-236,34%**
Gains (Losses) on disposal of investments	-234	89	**-323**	**-364,08%**
Charges related to the banking system (contributions to DGS and FITD funds)	-3.971	-5.950	**1.979**	**-33,26%**
Gross income from current operations	**16.826**	**27.498**	**-10.673**	**-38,81%**

Net valuation adjustments on loans to customers showed an increase compared to those recorded at 31 December 2023 for a total of -€ 3,226 thousand due to the increase in valuation adjustments described above and the increase in losses due to contractual amendments and net provisions for risks on guarantees and commitments.

Other income components as of 31 December 2024 included lower net allocations to the Provisions for Risks and Charges for € 1,988 thousand, higher profits on equity investments for a total of € 767 thousand mainly due to the increase in the value of the investee company C.H. SpA limited to the share held by the Bank and a reduction in charges related to the banking system for€ 1.979 thousand deriving mainly from the cessation of the payment of the Ordinary Contribution to the Ordinary Resolution Fund, following the reaching of the ceiling provided for by the SRB, a contribution of€ 1,944 thousand for the financial year 2023 and zero as at 31 December 2024.

GROSS AND NET PROFIT FOR THE YEAR				
figures in €/000	**31/12/2024**	**31/12/2023**	**Variation**	**Change %**
Gross income from current operations	16.826	27.498	-10.673	-38,81%
Income tax for year on current operations	-2.355	-6.374	4.018	-63,05%
Net result from current operations	**14.470**	**21.125**	**-6.655**	**-31,50%**

GROSS AND NET PROFIT FOR THE YEAR				
figures in €/000	31/12/2024	31/12/2023	Variation	Change %
PPA	0	1.291	-1.291	-100,00%
Goodwill Impairment / Amortisation of Intangible Assets	-465	-272	-193	71,03%
Profit (Loss) from discontinued operations after tax	0	-70	70	-100,00%
Profit (loss) the year	**14.005**	**22.075**	**-8.069**	**-36,56%**

The result for the year was negatively impacted by the amortisation of the intangible asset recognised at the time of acquisition of the BCC for Web business unit in 2023, for€ 465 thousand, highlighted in the item "Impairment of goodwill / Amortisation of intangible assets recognised in application IFRS 3 (PPA)".

Capital adequacy and regulatory ratios

One of the main points of the Bank's strategy is the careful management of capital components both in terms of their size and their dynamics. The evolution of the Bank's assets is decisive in accompanying the responsible dimensional growth and represents the main and decisive reference for defining development plans. In this sense, the Bank, from 2019, has formalised and adopted a Capital Management Plan for an organic governance action in point of constant verification of current and prospective capital adequacy levels. The Plan was last updated at the Board Directors' meeting of 29 January 2025 in conjunction with the adoption of the 2025-2029 Business Plan. The management generates a planned report to top management and the matter is systematically monitored by the Risk Management function, since total capital is also a decisive reference data in terms of prudential supervision.

The following table the final statement of equity as at 31 December 2024 (which includes the qualifying profit at 31 December 2024) compared with that at 31 December 2023:

OWN FUNDS AND CAPITAL ADEQUACY AS AT 31/12/2024				
	31/12/2024	31/12/2023	Variation absolute	Change %
Total Primary Tier 1 capital (Common Equity Tier 1 - CET1)	241.503	224.247	17.255	7,69%
Total Additional Tier 1 capital (AT1)	40.000	40.000	0	0,00%
Total Tier 1 capital (Tier 1 - T1)	**281.503**	**264.247**	**17.255**	6,53%
Total Tier 2 capital (Tier 2 - T2)	56.537	64.631	-8.094	-12,52%
Total Own Funds (T1+ T2)	**338.040**	**328.878**	**9.162**	**2,79%**

REQUENTIAL REGULATORY CAPITAL REQUIREMENTS				
	31/12/2024	31/12/2023	Variation absolute	Change %
Credit and Counterparty Risk	109.729	114.667	-4.938	-4,31%
Market Risk	3.002	2.550	452	17,72%
Operational Risk	19.757	18.710	1.046	5,59%
Credit rating adjustment risk	11	16	-6	-34,97%
Total prudential requirements (8% of risk-weighted assets)	**132.4G8**	**135.G43**	**-3.445**	-2,53%

OWN FUNDS AND CAPITAL ADEQUACY AS AT 31/12/2024			
	31/12/2024	31/12/2023	Change %
Risk-weighted assets (RWA)	1.656.225	1.699.286	-2,53%
Primary Tier 1 capital/risk-weighted assets (CET1 ratio)	14,58%	13,20%	1,38%
Tier 1 capital/risk-weighted assets (Tier 1 ratio)	17,00%	15,55%	1,45%
Own funds/risk-weighted assets (Total capital ratio)	20,41%	19,35%	1,06%

Own funds as at 31 December 2024 amounted to€ 338.04 mln, an increase over the previous year of € 9.2 mln due to the combined effect of the following factors:

- the reduction in the negative valuation reserve due to the performance of securities classified in the HTCCS portfolio (+€6.7m plus€ €2.1m from the application of the transitional regime on gains and losses on sovereign debt securities valued at FVOCI outstanding in 2023);

- the reduction of the positive economic result for the period (-€ 7.5 mln compared to the previous year);
- the increase in reserves mainly due to the profit for financial year 2023 (+€ 17.1 mln);
- the reduction of the allowable portion of T2 instruments issued in previous years (-€8.1m).

Below are the schedules of the bonds included, even partially, in own funds:

Subordinated bond prospectus

OBLIGATION	DESCRIPTION	ISIN	EXPIRY DATE	RATE	AMOUNT
480001	CAMB 18-25 4% SUB	IT0005337719	28/06/2025	4,00	30.000.000
483001	CAMB 19-21 4% SUB /PRO	IT0005371270	10/06/2029	4,00	5.000.000
484001	CAMB 18-29 STEP SUB /PRO	IT0005376287	20/06/2029	5,00	1.000.000
485001	CHANGE 19-29 4% SUB /PRO	IT0005385668	25/09/2029	4,00	2.000.000
488001	CAMB 19-29 STEP SUB /PRO	IT0005391518	05/12/2029	5,00	1.000.000
501001	CAMB 22-29 5% SUB	IT0005487118	15/03/2029	5,00	2.000.000
503001	CAMB 22-30 3% SUB	IT0005495574	16/05/2030	3,00	3.000.000
504001	CAMB 22-30 3.50% SUB	IT0005498859	29/06/2030	3,50	3.000.000
505001	CAMB 22-30 5% SUB /PRO	IT0005509135	30/09/2030	5,00	2.000.000
506001	CAMB 22-30 TV SUB /PRO	IT0005510059	30/09/2030	8,00	3.000.000
507001	CAMB 22-30 7.50% SUB/PRO	IT0005514960	20/10/2030	7,50	3.000.000
508001	CAMB 22-30 4% SUB	IT0005516395	28/10/2030	4,00	700.000
509001	CAMB 22-30 5.50% SUB	IT0005516403	28/10/2030	5,50	400.000
510001	CAMB 22-30 7% SUB	IT0005523391	07/12/2030	7,00	2.800.000
511001	CAMB 22-30 7% SUB	IT0005527772	29/12/2030	7,00	2.200.000
512001	CAMB 22-30 8% SUB /PRO	IT0005527780	29/12/2030	8,00	5.000.000
513001	CAMB 23-31 7% SUB	IT0005534190	01/03/2031	7,00	800.000
515001	CAMB 23-31 8% SUB /PRO	IT0005554495	29/06/2031	8,00	2.000.000
516001	CAMB 23-31 8% SUB	IT0005558751	10/08/2031	8,00	800.000
517001	CAMB 23-31 7% SUB /PRO	IT0005560534	04/09/2031	7,00	4.500.000
518001	CAMB 23-31 8% SUB /PRO	IT0005560591	04/09/2031	8,00	2.000.000
519001	CAMB 23-31 8% SUB /PRO	IT0005561268	20/09/2031	8,00	500.000
520001	CAMB 23-31 5% SUB /PRO	IT0005561854	26/09/2031	5,00	8.000.000
	TOTAL				**84.700.000**

Prospectus perpetual bonds AT1

OBLIGATION	DESCRIPTION	ISIN	ISSUE DATE	RATE	AMOUNT
490001	BCA CAMB 20-PERP TV SUB /PRO	IT0005427023	23/11/2020	5,00	1.500.000
492001	CHANGE PERPETUAL AT1 492	IT0005429375	15/12/2020	5,00	3.500.000
494001	CHANGE PERPETUAL AT1 494	IT0005429755	21/12/2020	4,75	1.000.000
496001	PERPETUAL EXCHANGE AT1 496	IT0005431777	21/12/2020	5,00	500.000
497001	CHANGE PERPETUAL AT1 497	IT0005432130	28/12/2020	5,00	3.500.000
498001	PERPETUAL CHANGE AT1 498	IT0005439846	30/03/2021	5,00	5.000.000
499001	CHANGE PERPETUAL AT1 499	IT0005454076	11/08/2021	5,00	5.000.000
500001	PERPETUAL CAMB AT1 500	IT0005475055	28/12/2021	5,00	7.000.000
502001	CAMB 22-PERP TV SUB /PRO	IT0005489601	30/03/2022	5,00	3.000.000
521001	CAMB 23-PERP TV SUB /PRO	IT0005566648	10/10/2023	7,00	10.000.000
	TOTAL				**40.000.000**

The capital requirements in force as at 31 December 2024, were defined by letter No. 1069996/23 of 15/06/2023. The amount of capital to be held by the Group, in addition to the regulatory minimum, is determined as follows:

- primary tier 1 capital ratio (CET 1 ratio): 8.00%, comprising a binding measure of 5.50%, of which 4.50% against the regulatory minimum requirements and 1.00% against the additional requirements determined on the basis of the results of the SREP and, for the remainder, the capital conservation buffer component;
- Tier 1 capital ratio (Tier 1 ratio): 9.90%, comprising a binding measure of 7.40%, of which 6.00% against the regulatory minimum requirements and 1.40% against the additional requirements determined on the basis of the SREP results and, for the remainder, the capital conservation buffer component;
- total capital ratio: 12.30%, comprising a binding measure of 9.80%, of which 8.00% against the minimum regulatory requirements and 1.80% against the additional requirements determined on the basis of the results of the SREP and, for the remainder, the capital conservation buffer component.

The capital levels achieved by the Group as at 31 December 2024 are already higher than required.

The proposed appropriation of profit for the year

The financial statements were prepared in accordance with IAS/IFRS international accounting standards in accordance with the provisions of Legislative Decree No. 38 of 28 February 2005 and Bank of Italy Order No. 262 of 22 December 2005, as amended, and were audited by Deloitte C Touche S.p.A.

In the resolution adopted on the appropriation of profit, the Board unanimously decided to allocate the majority of the profit to reserves, continuing on the path undertaken to strengthen assets, while also continuing to distribute a measured dividend to shareholders.

The proposal is deemed congruent for compliance with the prescribed capital ratios, also because the calculation of Own Funds and consolidated prudential requirements that are subject to transmission to the Bank Italy in the context of prudential supervisory reporting (COREP) and statistical reporting (FINREP) is carried out with reference to Ente Cambiano Scpa (cod. 20067) that, according to the European Capital Requirements Regulation (CRR), is configured as the financial parent company and therefore the amount of these dividends pertaining to Ente Cambiano for 85.50% (about€ 914 thousand) will remain within the total regulatory capital.

The Board of Directors, in the context of the declared objectives strengthening the Bank's capital profile, therefore proposes the following allocation of the economic result for the year:

PROPOSAL OF THE BOARD OF DIRECTORS FOR THE APPROPRIATION OF PROFIT FOR FINANCIAL YEAR 2024	
NET PROFIT FOR YEAR TO BE DISTRIBUTED	**14.005.100**
• to Legal Reserve (5.00% of profit)	700.255
• a Extraordinary Reserve	12.235.781
• a Tax suspension reserve Decree-Law 104 of 10/08/2023	0
• to Shareholders as dividends (€ 0.0042 for each of the 254,539,130 ordinary shares)	1.069.064
Total	**14.005.100**

Final considerations

Dear Shareholders,

the Report on Operations to the 2024 Financial Statements, both individual and consolidated, provides an overview of the activities undertaken by the Bank and the Banking Group as a whole during the year, while at the same time giving an idea of the complexities that it had to face and manage in order to cope with the tumultuous evolution of the reference scenarios; this is accompanied by the punctual attention that was dutifully paid during the year to the regulatory requirements imposed on banks, in order to protect the integrity of credit and public savings. In such a challenging context due to increased competitive pressure, the uncertainty of the economic-political framework and the growing expectations of communities, in need of trust and protection from the risks of an uncertain present and a future full of unknowns, the application of virtuous practices at all times of life company represents a critical and sometimes decisive variable of success. Compliance', understood not as mere compliance with the letter of the regulations, but as substantial and shared adherence to the rationale of the provisions, will increasingly be the yardstick that measures the credibility of market operators, preserving their reputation and at the same time opening up new spaces for growth. From this point of view too, the "bank in the territory" model, which knows how to use technology also as a further channel to relate with customers, represented by Banca Cambiano confirms its extraordinary modernity, as it is genetically predisposed to listening to all the voices coming from local communities, with the aim of providing them with serious, consistent, transparent and therefore lasting answers.

The effective pursuit of the defined mission requires an organic combination of factors, both tangible and intangible: certainly the possession of resources, skills, and distinctive competencies, but also, more generally, an approach that embraces and gives prominence to all the players that move in the ecosystem and interact with the Bank in various ways, with a view to mutual benefit. Presence and rootedness in the territory will continue to be an effective tool for action.

This is why we would like to thank all those who made it possible to achieve these results: first and , all the staff, wisely guided by the General Management, whose structure was also renewed during the year, in order to maintain and strengthen the Bank on balanced development prospects. The results achieved and the plans adopted would not have been possible without the certainty of a cohesive team with a human capital rich in talent, professionalism and a sense of belonging.

We would also like to sincerely thank the Board of Auditors for their professionalism and attention to detail in the performance of their duties.

We extend our appreciation to the supervisory authorities, first and foremost the Bank of Italy for their authoritative and constant support and assistance.

In conclusion, we would like to express our sincere gratitude to all our stakeholders: our customers, the aforementioned employees and the communities we support. Your commitment and trust have been fundamental to the achievement of our goals and our continued growth. Looking to the future, we are committed to strengthening our role as a bank close to the territory, investing in digital innovation, sustainability and personalised services to meet the evolving needs of our customers.

To our members, an expression of appreciation for the great value of their entrepreneurial choice of the bank, which has set as its main objective the performance of business activities with a view to authentic traditional banking services, with evolved services and direct relational capacity with counterparties, even in the face of lower contribution margins compared to types of operations more oriented towards contribution margins than interest margins. Maintaining lending activities, strictly oriented to risk profiles of sound and prudent management, as a major component, constitutes an underlining of the value of corporate choices truly geared to supporting productive activities.

With a spirit of cooperation and a positive outlook, as we have for the past 140 years, we will seek to meet the challenges of the new year, confident that together we can build a more prosperous and inclusive future.

Florence, 28 March 2025

The Board of Directors

COMPANY FINANCIAL STATEMENTS

BALANCE SHEET

	Asset Items	**31/12/2024**	**31/12/2023**
10	Cash and cash equivalents	131.135.687	341.067.025
20	Financial assets at fair value through profit or loss	227.461.821	182.144.705
	(a) financial assets held for trading	*S2.055.2C8*	*84.55S.S0S*
	(b) financial assets designated at fair value	*0*	*0*
	(c) other financial assets mandatorily measured at fair value	*135.40C.553*	*S7.584.7SC*
30	Financial assets measured at fair value with impact on profitability total	173.169.533	474.948.630
40	Financial assets measured at amortised cost	3.578.085.675	3.501.780.880
	(a) due from banks	*151.011.737*	*83.277.3C3*
	(b) loans to customers	*3.427.073.S38*	*3.418.503.517*
50	Hedging derivatives	0	0
60	Value adjustment of macro-hedged financial assets (+/-)	0	0
70	Participations	48.614.756	48.172.380
80	Material activities	64.099.781	62.376.039
90	Intangible Assets	5.090.188	4.851.911
	of which goodwill	*0*	*0*
100	Fiscal activities	14.845.178	19.315.994
	(a) currents	*2.7S7.832*	*2.282.S50*
	(b) in advance	*12.047.34C*	*17.033.045*
110	Non-current assets and groups of assets held for sale	0	0
120	Other Activities	141.663.440	174.677.751
	Total Assets	**4.384.166.05G**	**4.80G.335.315**

	Liabilities and Shareholders' Equity	31/12/2024	31/12/2023
10	Financial liabilities measured at amortised cost	3.997.333.947	4.418.593.180
	(a) due to banks	*71.857.5S0*	*C05.353.CC3*
	(b) Due to customers	*3.80S.CS4.117*	*C40.818.C43*
	(c) securities in issue	*115.782.241*	*172.420.874*
20	Financial liabilities held for trading	420.426	442.452
30	Financial liabilities designated at fair value	0	0
40	Hedging derivatives	0	0
50	Value adjustment of hedged financial liabilities generic (+/-)	0	0
60	Tax liabilities	31.414	65.698
	(a) currents	*0*	*C7C*
	(b) deferred	*31.414*	*30.023*
70	Liabilities associated with discontinued operations	0	0
80	Other liabilities	93.243.231	110.563.035
G0	Staff severance pay	3.131.171	3.026.475
100	Provisions for risks and charges:	4.943.895	7.340.373
	(a) commitments and guarantees given	*2.384.SCC*	*2.0SS.204*
	(b) pensions and similar obligations	*0*	*0*
	c) other provisions for risks and charges	*2.558.S2S*	*5.241.170*
110	Valuation Reserves	-1.064.212	-7.782.837
120	Redeemable shares	0	0
130	Capital instruments	40.000.000	40.000.000
140	Reserves	-21.482.152	-38.590.801
150	Issue surcharges	803.240	803.240
160	Capital	252.800.000	252.800.000
170	Own shares (-)	0	0
180	Useful	14.005.100	22.074.500
	Total liabilities and shareholders' equity	**4.384.166.05G**	**4.80G.335.315**

PROFIT AND LOSS ACCOUNT

	Entries	31/12/2024	31/12/2023
10	Interest and similar income	173.288.390	159.814.865
	of which: interest income calculated using effective interest method	*1C3.20C.S83*	*154.SC2.457*
20	Interest expenses and similar charges	-94.113.764	-74.791.225
30	**Interest margin**	**7G.174.625**	**85.023.640**
40	Commission income	36.523.991	36.961.510
50	Commissions payable	-5.921.550	-6.065.509
60	**Net commissions**	**30.602.441**	**30.8G6.000**
70	Dividends and similar income	544.072	588.393
80	Net trading income	9.499.451	10.226.097
90	Net result from hedging activities	0	0
100	Gains (losses) on disposal or repurchase of:	1.690.507	-3.150.048
	(a) financial assets measured at amortised cost	*704.88C*	*-3.S72.43C*
	(b) financial assets measured at fair value with impact on profitability total	*SC5.228*	*CC5.7C1*
	(c) financial liabilities	*20.3S3*	*15C.C27*
110	Net result of other financial assets and liabilities measured at fair value with an impact on the profit and loss account:	-4.278.092	-1.410.282
	(a) financial assets and liabilities designated at fair value	*0*	*0*
	(b) other financial assets mandatorily measured at fair value	*-4.278.0S2*	*-1.410.282*
120	**Intermediation margin**	**117.233.005**	**122.173.800**
130	Net adjustments/write-backs for credit risk of:	-25.405.676	-18.079.713
	(a) financial assets measured at amortised cost	*-25.C32.487*	*-18.304.832*
	(b) financial assets measured at fair value with impact on profitability total	*22C.811*	*225.118*
140	Gains/losses from contractual changes without cancellations	-394.520	137.168
150	**Net result from financial operations**	**G1.432.80G**	**104.231.254**
160	Administrative expenses:	-77.150.270	-77.386.204
	(a) personnel expenses	*-34.848.305*	*-33.415.113*
	(b) other administrative expenses	*-42.301.SC4*	*-43.S71.0S1*
170	Net provisions for liabilities and charges	1.540.034	1.055.649
	(a) commitments and guarantees given	*-285.7C2*	*-122.120*
	b) other net provisions	*1,825.7SC*	*1.177.7CS*
180	Net Value Adjustments/Write-backs on Tangible Assets	-5.168.006	-5.251.244
190	Net value adjustments/write-backs on intangible assets	-2.471.708	-2.169.027
200	Other operating income/expenses	7.969.158	8.273.485
210	**Operating Costs**	**-75.280.7G1**	**-75.477.341**
220	Gains (Losses) on participations	442.376	-324.464
230	Net result of fair value measurement of property, plant and equipment and intangibles	0	0
240	Goodwill Value Adjustments	0	0
250	Gains (Losses) on disposal of investments	-233.934	88.585
260	**Profit (Loss) from current operations before tax**	**16.360.460**	**28.518.035**
270	Income tax for year on current operations	-2.355.360	-6.373.608
280	**Profit (Loss) from current operations after tax**	**14.005.100**	**22.144.427**
290	Profit (Loss) from discontinued operations after tax	0	-69.927
300	**Profit (loss) the year**	**14.005.100**	**22.074.500**

STATEMENT OF COMPREHENSIVE INCOME

	Entries	31/12/2024	31/12/2023
10	**Profit (loss) the year**	**14.005.100**	**22.074.500**
	Other income components net of taxes without reversal to account economic		
20	Equity securities designated at fair value with impact on profitability total	31.373	-91.918
30	Financial liabilities designated at fair value through profit or loss (changes in one's creditworthiness)	0	0
40	Hedges of equity securities designated at fair value with impact on overall profitability	0	0
50	Material activities	0	0
60	Intangible Assets	0	0
70	Defined benefit plans	-14.623	-68.887
80	Non-current assets and groups of assets held for sale	0	0
90	Quota of valuation reserves of equity-accounted investments net	0	0
	Other income components net of taxes with reversal to account economic		
100	Coverage of foreign investments	0	0
110	Exchange rate differences	0	0
120	Cash flow hedging	0	0
130	Hedging instruments (non-designated items)	0	0
140	Financial assets (other than equity securities) measured at fair value with impact on overall profitability	5.603.344	12.674.957
150	Non-current assets and groups of assets held for sale	0	0
160	Quota of valuation reserves of equity-accounted investments net	0	218.699
170	**Total other income components after tax**	**5.620.0G4**	**12.732.851**
180	**Overall profitability (item 10+170)**	**1G.625.1G4**	**34.807.351**

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN ASSETS NET AS AT 31/12/2024	Existence at 31/12/2023	Change opening balances	Existence as at 01/01/2024	Allocation of previous year's result		Changes in the financial year								Net assets as at 31/12/2024
				Reserves	Dividends and other allocations	Changes in reserves	Equity Transactions						Overall profitability year 31/12/2024	
							Issuing new shares	Purchase of own shares	Extraord. dividend distribution	Changes in equity instruments	Derivatives on own shares	Stock options		
Capital: (a) ordinary shares (b) other actions	252.800.000 0		252.800.000											252.800.000 0
Issue surcharges	803.240		803.240											803.240
Reserves: (a) of profits (b) other	-38.590.801 0	-1.098.531	-39.689.332	20.419.996	1.654.504	-15.315				-2.197.500				-21.482.152 0
Valuation Reserves	-7.782.837	1.098.531	-6.684.306										5.620.094	-1.064.212
Capital instruments	40.000.000		40.000.000											40.000.000
Own shares	0													0
Profit (loss) for the year	22.074.500		22.074.500	-20.419.996	-1.654.504								14.005.100	14.005.100
Net assets	269.304.102	0	269.304.102	0	0	-15.315	0	0	0	-2.197.500	0	0	19.625.194	285.061.976

Notes:
The column "Change in opening balances" includes changes made to the balances as at 31 December 2023 resulting from the reallocation of the reserve recorded on an equity investment from the item "Valuation reserves" to the item "Reserves".

STATEMENT OF CHANGES IN ASSETS NET AS AT 31/12/2023	Existence at 31/12/2022	Change opening balances	Existence as at 01/01/2023	Allocation of previous year's result		Changes in the financial year								Net assets as at 31/12/2023
				Reserves	Dividends and other allocations	Changes in reserves	Equity Transactions						Overall profitability year 31/12/2023	
							Issue of new shares	Purchase of own shares	Extraord. dividend distribution	Changes in equity instruments	Derivatives on own shares	Stock options		
Capital: (a) ordinary shares (b) other actions	232.800.000 0		232.800.000				20.000.000							252.800.000 0
Issue surcharges	803.240		803.240											803.240
Reserves: (a) of profits (b) other	-53.655.177 0		-53.655.177	16.561.876						-1.497.500				-38.590.801 0
Valuation Reserves	-20.515.688		-20.515.688										12.732.851	-7.782.837
Capital instruments	30.000.000		30.000.000							10.000.000				40.000.000
Own shares	0													0
Profit (loss) for the year	17.761.960		17.761.960	-16.561.876	-1.200.084								22.074.500	22.074.500
Net assets	207.194.336	0	207.194.336	0	-1.200.084	0	20.000.000	0	0	8.502.500	0	0	34.807.351	269.304.102

CASH FLOW STATEMENT

	Amounts 31/12/2024	Amounts 31/12/2023
A. OPERATIONAL ACTIVITY		
1 Management	**50.382.370**	**51.4G5.6GG**
- Profit/(loss) the year (+/-)	14.005.100	22.074.500
- Gains/losses on financial assets held for trading and on other assets/liabilities financial assets at fair value through profit or loss (-/+)	2.516.555	-1.326.817
- Gains/losses on hedging activities (-/+)	0	0
- Net value adjustments/write-backs for credit risk (+/-)	25.405.676	18.079.713
- Net value adjustments/reversals on tangible and intangible fixed assets (+/-)	7.639.713	7.420.271
- Net allocations to provisions for risks and charges and other costs/revenues (+/-)	-1.540.034	-1.055.649
- Unpaid taxes, fees and receivables (+/-)	2.355.360	6.373.608
- Net impairment losses/reversals on disposal groups held for sale net the tax effect (+/-)	0	-69.927
- Other adjustments (+/-)	0	0
2 Liquidity generated/absorbed by financial assets	**188.G25.625**	**333.265.3G0**
- Financial assets held for trading	-5.767.729	-14.440.345
- Financial assets designated at fair value	0	0
- Other assets mandatorily measured at fair value	-42.065.942	42.150.844
- Financial assets measured at fair value with impact on comprehensive income	301.836.460	137.519.933
- Financial assets measured at amortised cost	-101.767.833	226.262.674
- Other Activities	36.690.670	-58.227.716
3 Liquidity generated/absorbed by financial liabilities	**-438.335.178**	**-118.524.862**
- Financial liabilities measured at amortised cost	-421.259.233	-188.928.581
- Financial liabilities held for trading	-22.026	344.781
- Financial liabilities designated at fair value	0	0
- Other liabilities	-17.053.919	70.058.938
Net cash generated by/used in operating activities	**-1GG.027.183**	**266.236.227**
B. INVESTMENT ACTIVITIES		
1 Liquidity generated by	**4.048.521**	**5.321.114**
- Sales of participations	0	1.557.745
- Dividends collected on participations	0	0
- Sales of tangible assets	4.048.521	3.763.369
- Sales of intangible assets	0	0
- Sales of business units	0	0
2 Liquidity absorbed by	**-13.2G8.172**	**-G.051.540**
- Purchases of participations	0	-265.863
- Purchases of tangible assets	-10.588.186	-5.746.935
- Purchases of Intangible Assets	-2.709.985	-2.938.743
- Acquisitions of business units	0	-100.000
Net cash generated/absorbed by investing	**-G.24G.651**	**-3.730.426**
C. FUNDING ACTIVITIES		
- Issues/purchases of own shares	0	20.000.000
- Issues/purchases of equity instruments	0	10.000.000
- Dividend distribution and other purposes	-1.654.504	-1.200.084
Net liquidity generated/absorbed by funding activities	**-1.654.504**	**28.7GG.G16**
LIQUIDITA' NET GENERATED/ABSORBED DURING THE YEAR	**-20G.G31.338**	**2G1.305.716**

BALANCE SHEET ITEMS	Amounts 31/12/2024	Amounts 31/12/2023
Cash and cash equivalents at the beginning of year	341.067.025	49.761.309
Total net liquidity generated/absorbed during the year	-209.931.338	291.305.716
Cash and cash equivalents: effect of exchange rate changes	0	0
Cash and cash equivalents at year-end	131.135.687	341.067.025

NOTES TO THE COMPANY'S ACCOUNTS

PART A - Accounting Policies

A.1 - GENERAL PART

Section 1 - Declaration of Compliance with International Accounting Standards
The financial statements of Banca Cambiano 1884 s.p.a. have been prepared in accordance with the IAS/IFRS issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretation Committee (IFRIC) endorsed by the European Commission and in force as at 31 December 2024, transposed into Italian law by Legislative Decree no. 38/2005, which exercised the option provided for by EC Regulation no. 1606/2002 on international accounting standards. The financial statements as at 31 December 2024 have been prepared on the basis of the instructions issued by the Bank of Italy in Circular no. 262/05 "Bank financial statements: formats and compilation rules" updated to the 8th update of 17/11/2022. QThese instructions set out in a binding manner the financial statement formats and related compilation methods, as well as the content of the Notes to the Financial Statements. The Financial Statements consist of the Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of Changes in , Cash Flow Statement and the Notes to the Financial Statements, and are accompanied by the Report on Operations. The balance sheet and profit and loss account are drawn up in euro units, other schedules and tables in the notes to the financial statements in thousands of euro. The accounting standards adopted for the preparation of the 2024 Financial Statements, with reference to the classification, recognition, measurement and derecognition of the various asset and liability items, as well as the methods for recognising revenues and costs, have remained unchanged from the 2023 Financial Statements with the exception of the changes made following the entry into force, as of 1 January 2024, of the new standards detailed below.

Document title	Date of publication	Entry into vigour
On 23 January 2020, the IASB published an amendment entitled '**Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current**' and on 31 October 2022 it published an amendment entitled '**Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants**'. The documents are intended to clarify how to classify payables and other liabilities as current or . In addition, the amendments also improve the information an entity must provide when its right defer settlement of a liability for at least 12 months is subject to the compliance with certain parameters (i.e. covenants).	23/01/2020 31/10/2022	01/01/2024
"Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback'. The document requires the seller-lessee to measure lease liability arising from a sale and leaseback transaction in a manner that does not recognise income or loss that relates to the retained right use).	22/09/2022	01/01/2024
'Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements'. The document requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of financial statements to evaluate how financial arrangements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk.	25/05/2023	01/01/2024
On 30 January 2014, the IASB published **IFRS 14 - Regulatory Deferral Accounts** which allows only first-time adopters of IFRSs to continue to recognise amounts related to rate-regulated activities under their previous adopted accounting standards. As the Bank is not a first-time adopter, this principle is not applicable.	30/01/2024	

With respect to the aforementioned Regulations, following the amendments that came into force on 1 January 2024, the Bank did not identify any significant impact on the Financial Reporting as at 31 December 2024.

The following table shows the new international accounting standards, or amendments to standards already in force, whose mandatory application starts on or after 1 January 2025, which have not been adopted early.

Document title	Date of publication	Entry into vigour
On 15 August 2023, the IASB published an amendment entitled **'Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability'.** The document requires an entity to apply a consistent methodology for determining whether one currency can be translated into another and, when this is not possible, how to determine the exchange rate to be used and the disclosures to be made in the notes to the financial statements. The amendment will apply from 1 January 2025, but earlier application is permitted. The Directors do not expect a significant effect on the Bank's balance sheet since the adoption of this amendment.	15/08/2023	01/01/2025

The Bank not make use of the option of early application of the Regulations in force of 1 January 2025 as it is not considered that these changes will have a significant impact on its balance sheet and profit and loss situation.

Finally, at the date of approval of these financial statements, the homologation process had not yet been completed. by the competent bodies of European Union necessary for adoption of the following amendments:

Document title	Date of publication	Entry into vigour
On 30 May 2024, the IASB published the document 'Amendments to the Classification and Measurement of Financial Instruments-Amendments to IFRS 9 and IFRS 7”. The document clarifies a number of problematic issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary upon the achievement of ESG objectives (i.e. green bonds). In particular, the amendments aim to: • Clarify the classification of financial assets with variable returns and linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the SPPI test; • determine that the settlement date for liabilities using electronic payment systems is the date on which the liability is settled. However, an entity is permitted to adopt an accounting policy to permit a financial liability to be derecognised before delivering cash on the settlement date under certain specified conditions. With these amendments, the IASB also introduced additional disclosure requirements with regard to investments in equity instruments designated as FVOCI. The amendments will apply to financial statements for financial years beginning on or after 1 January 2026. The directors do not expect a significant effect in the financial statements of the Bank since the adoption of this amendment.	30/05/2024	01/01/2026
On 18 July 2024, the IASB published a document called **'Annual Improvements Volume 11'.** The document includes clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards. The amended standards are: • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and the related lines guidance on the implementation of IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and • IAS 7 Statement of Cash Flows. The amendments will apply from 1 January 2026, but earlier application is permitted. The directors do not expect a significant effect in the financial statements of the Bank since the adoption of this amendment.	18/07/2024	01/01/2026
On 18 December 2024, the IASB published an amendment entitled ***'Contracts Referencing Nature-dependent Electricity - Amendment to IFRS 3 and IFRS 7'***. The document aims to support entities in reporting the financial effects of contracts for the purchase of electricity generated from renewable sources (often structured as *Power Purchase Agreements*). Under such contracts, the amount of electricity generated and purchased can vary based on uncontrollable factors such as weather conditions. The IASB has made targeted amendments to IFRS 9 and IFRS 7. The amendments include: • a clarification regarding the application of the 'own use' requirements to this type of contract;	18/12/2024	01/01/2026

Document title	Date of publication	Entry into vigour
• the criteria for allowing such contracts to be accounted for as hedging instruments; e, • of new disclosure requirements to enable users of financial statements to understand the effect of these contracts on an entity's financial performance and cash flows. The amendment will apply from 1 January 2026, but an application is permitted anticipated. The directors do not expect a significant effect in the financial statements of the Bank since the adoption of this amendment.		
On 9 April 2024, the IASB published a new standard ***IFRS 18 Presentation and Disclosure in Financial Statements*** that will replace IAS 1 *Presentation of Financial Statements*. The new standard aims to improve the presentation of financial statements, with particular reference to the income statement. In particular, the new standard requires: • classify revenues and expenses into three new categories (operating section, investment section and financial section), in addition to the tax and discontinued operations categories already present in the income statement; • Present two new sub-totals, the operating result and the result before interest and taxes (i.e. EBIT). The new principle also: • requires more information on indicators performance defined by the management; • introduces new criteria for the aggregation and disaggregation of information; e, • introduces a number of changes to the format of the cash flow statement, including the requirement to use the operating result as the starting point for the presentation of the cash flow statement prepared under the indirect method and the elimination of certain classification options for some items that currently exist (such as interest paid, interest received, dividends paid and dividends received). The new standard will come into effect on 1 January 2027, but earlier application is permitted. The directors do not expect a significant effect in the financial statements of the Bank since the adoption of this amendment.	09/04/2024	01/01/2027
On 9 May 2024, the IASB published a new standard ***IFRS 13 Subsidiaries without Public Accountability: Disclosures.*** The new standard introduces some simplifications with regard to the disclosures required by IFRS Accounting Standards in the financial statements of a subsidiary that meets the following requirements: • has not issued equity or debt instruments listed on a regulated market and is not in the process of issuing them; • its parent company prepares consolidated financial statements in accordance with IFRS. The new standard will come into effect on 1 January 2027, but earlier application is permitted. The directors do not expect a significant effect in the financial statements of the Bank since the adoption of this amendment.	09/05/2024	01/01/2027
On 30 January 2014, the IASB published ***IFRS 14 - Regulatory Deferral Accounts***, which allows only first-time adopters of IFRSs to continue to recognise amounts related *rate-regulated* activities under the previous adopted accounting standards. As the Company is not a *first-time adopter*, this standard is not applicable. The directors do not expect a material effect on the Bank's financial statements from the adoption of this amendment.	30/01/2024	

The possible effects of introducing the above amendments being evaluated.

Section 2 - General Principles of Preparation

In preparing the financial statements, the following general preparation principles dictated by IAS 1 were observed:

- Going concern - The financial statements have been prepared on a going concern basis;
- Accrual accounting - Costs and revenues are recognised on an accrual basis and according to the matching principle;
- Consistency of presentation of financial statements - The presentation and classification of items are maintained from one financial year to the next in order to ensure comparability of information unless change is required by an International Accounting Standard or an interpretation thereof, or even

only for another presentation or classification to be deemed more appropriate in terms of relevance and reliability in representing the information;

- Prohibition of Offsetting - Assets, liabilities, income and expenses are not offset against each other unless required by an International Accounting Standard or an interpretation thereof or expressly provided for in the financial statements for banks;
- Materiality and Aggregation - Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or purpose are presented separately unless they are immaterial; The balance sheet and income statement consist of items (denoted by Arabic numerals), sub-items (denoted by letters) and additional disclosure details (the "of which" in items and sub-items). The items, sub-items and related information details constitute balance sheet accounts. The formats conform to those defined by the Bank Italy in Circular No. 262 of 22 December 2005 and subsequent updates. New items may be added to these schedules if their content cannot be attributed to any of the items already provided for in the schedules and only if they are material. The sub-items provided for in the schedules may be grouped together when one of the two following conditions is met:
  a) the amount of the subheadings is insignificant;
  b) grouping promotes the clarity of the financial statements; in this case, the notes contain distinctly the subheadings being grouped together.
  The balance sheet, profit and loss account and statement of comprehensive income do not show accounts with no amounts either for the year to which the financial statements refer or for the previous year;
- *substance over form*: transactions and other events are recognised and represented in accordance with their substance and economic reality and not merely according to their legal form;
- comparative information*:* for each balance sheet and income statement account, comparative information for the previous year is provided, unless an accounting standard or interpretation permits or provides otherwise. and descriptive information is also included when this promotes a better understanding of the financial statements. Previous year's figures may be appropriately adjusted, where necessary, to ensure comparability of information for the current year. Any non-comparability, adjustment or impossibility of the latter shall be disclosed and commented on in the notes to the financial statements;
- Periodicity disclosures: disclosures must be made at least annually; if an entity changes the end of its reporting period, it must disclose the reason for the change and the fact that the data are not comparable.

The Notes are divided into parts. Each part of the notes is divided into sections, each of which illustrates a single aspect of management.

Declaration of business continuity

The joint co-ordination table between the Bank of Italy, Consob and Isvap on the application of IAS/IFRS, with document no. 2 of 06.02.2009 'Information to be provided in financial reports on going , financial risks, impairment testing of assets and uncertainties in the use of estimates', as well as with the subsequent document no. 4 of 4 March 2010, requested the directors to carry out particularly accurate assessments on the existence of the going concern assumption. In this regard, paragraphs 25-26 of IAS 1 state that: "In preparing financial statements, management shall make an assessment of the entity's ability to continue as a going concern. Financial statements shall be prepared on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so'.

In this regard, the Bank's Board of Directors carried out an assessment the Bank's capacity maintain operation as a functioning entity.

By letter Prot. No. 0383383/25 of 20.02.2025, the Supervisory Authority communicated the conclusion of the periodic Supervisory Review and Evaluation Process (SREP) conducted on the Cambiano Banking Group initiated by letter No. 2505325 of 23.12.2024 pursuant Article 67-ter, paragraph 1, letter d), of Legislative Decree No. 385 of 1 September 1993 (TUB). The supervisory review process introduced additional capital requirements that must be met as of March 2025. However, the current capital situation shows that the Group and the Bank have capital levels that are already adequate to meet the capital parameters defined in the aforementioned Communication.

Based on the best information available at the date of preparation of these financial statements, the Directors have a reasonable expectation that the Bank will continue to operate in the foreseeable future and, accordingly, have prepared the financial statements on a going concern basis.

Section 3 - Events subsequent to the balance sheet date

Subsequent to the preparation of the financial statements for the year ended 31 December 2024, no events of particular significance have occurred that would require a change to the approved figures, an adjustment to the results achieved or the provision of additional information. For more details on events occurring after 31 December 2024, see the appropriate section in the Directors' Report on Operations.

Section 4 - Other Aspects

Appointment of the Auditing Company

The Bank's financial statements are audited by Deloitte C Touche s.p.a.

Use of Estimates and Assumptions in the Preparation of Financial

The preparation of financial statements also requires the use of estimates and assumptions that can have a significant effect on the amounts recognised in the balance sheet and income statement, as well as on the disclosure of contingent assets and liabilities in the financial statements. The preparation of these estimates involves the use of available information and the adoption of subjective judgements, also based on historical experience, used to formulate reasonable assumptions for the recognition of operating events. By their very nature, the estimates and assumptions used may vary from period to period; therefore, it cannot be excluded that in subsequent periods the actual values recognised in the financial statements may differ, even significantly, as a result of changes in the subjective assessments used. The main cases for which the Bank is most required to use subjective assessments are:

- the quantification of impairment losses on loans and other financial assets in general;
- the determination of the fair value of financial instruments to be used financial statement reporting purposes;
- the use of valuation models to recognise the fair value of unlisted financial instruments in 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.

The description of the accounting policies applied to the main aggregates of the financial statements provides the information necessary to identify the main assumptions and subjective assessments used in the preparation of the financial statements.

As part of its policies for the management of loans to customers for financing, the Bank has adopted processes and methods for monitoring the performance of relationships in accordance with the provisions of sector regulations and internal provisions governing the rules for classification and transfer into the various risk categories. In the process of classification, also for the purposes of the consequent valuation, of non-impaired loans, the Bank took into consideration the particular context of macroeconomic uncertainty resulting from the continuation of geo-political tensions.

For the classification of credit exposures by homogeneous risk classes, the Bank refers to the sector regulations and internal provisions governing the rules for classification and transfer within the different risk categories.

In determining the recoverable amount of impaired loans to customers measured at amortised cost, the Bank, as part of its classification and valuation policies, has used valuation processes and methods characterised by subjectivity and the estimation certain variables, such as, principallyexpected cash flows, expected recovery times and the presumed realisable value of guarantees, if , whose change may lead to a change in the final recoverable amount.

further detailed information the composition and relative carrying values of the items affected by the estimates in question, reference should instead be made to the specific sections of the notes to the financial statements.

reference to the quantification of impairment losses on loans, Appendix B5.5.49 of IFRS 9 requires that models used for the valuation of portfolio loans be supplemented with judgement-based adjustments when the models themselves do not fully capture the expected impacts. The risks that are not captured by the models are the so-called Novel risks (or emerging risks), i.e., those risks that occur for the first time or that, although they existed in the past, take on characteristics, magnitudes or impacts that are significantly different from those observed historically. Starting from 31 December 2023 and throughout the financial year 2024, given the uncertainty of the economic context characterised by inflationary pressure and rising interest rates, the Risk Management Function has identified a perimeter of positions most impacted by the

(i) individuals, joint ventures and sole proprietorships classified as Stage 1 who have contracted instalment loans with variable interest rates before 2023 and who have experienced average payment delays of at least five days during year; *(ii)* individuals, joint ventures and sole proprietorships classified as Stage 2 who have contracted instalment loans with variable interest rates before 2023 and who have experienced average payment delays of at least one day during year;
(iii) loans secured by commercial real estate which, as a result of rising interest rates, are less attractive on the real estate market and are expected to lose value in 2024.
In light of the expected scenario of lower interest rates for the year 2025, with reference to the financial statements as at 31 December 2024, the add-ons relating to positions with payment delays due to the increase in interest rates, quantified at a total of € 2,120,103 as at 31 December 2023, were released. On the other hand, with regard to the add-on component relative to exposures to companies guaranteed by commercial real estate, given the persistence in the European real estate market of signs of particular riskiness of the type of collateral in question, we proceeded prudentially to maintain these add-ons also for the next financial year, quantified in a total of€ 527,394. Moreover, in light of the growing relevance in terms of economic impact climate and environmental risks, specific management overlays introduced to protect against such risks, as a first approach for the inclusion of the so-called ESG effects in the calculation of the Expected Credit Loss. The inclusion of these add-ons took place on the positions classified as Stage 1 and Stage 2, taking into account the physical and transition risks and applied through a worsening, respectively, of the Loss Given Default (LGD) components and the probability of default of the most affected counterparties. These management overlays were quantified at a total of €2,117,773.
In addition to the impact on the write-downs of the application of the add-on criteria outlined above, it is necessary to consider the integration of the effects due to the updated macroeconomic scenarios based on the most recent projections published by the Bank Italy (so-called Forward Looking components) reference to December 2024. These updates led to an increase in impairment losses of € 968 thousand on Stages 1 and 2 and € 567 thousand on Stage 3.

A.2 - Part relating to the main balance sheet items

1. Financial assets at fair value through profit or loss (FVTPL)

Classification Criteria

This item includes all financial assets other than those classified in the portfolio of financial assets measured at fair value with impact on comprehensive income and in the portfolio of financial assets measured at amortised cost. Specifically, the following are recognised under this item

- financial assets held for trading, consisting of debt securities, equity securities, loans, OICR units and the positive value of derivative contracts, purchased and held with intention reselling them on the market in the short term in order to realise trading profits. Also included in this category are equity instruments, which do not qualify as control, joint control or connection, for which no designation at fair value with impact on comprehensive income was made upon initial recognition;
- assets designated at fair value, such as debt securities or loans, as defined at initial recognition if they meet the requirements of IFRS 9;
- other financial assets mandatorily measured at fair value, represented by debt securities, loans and OICR units, which do not meet the requirements for classification at amortised cost or fair value with impact on comprehensive income. Basically, these are financial assets whose contractual terms do not allow them to pass the so-called 'SPPI test' or which are not held as part of a 'Held to Collect' or 'Held to Collect and Sell' business model.

The general rules on reclassification of financial assets outlined in IFRS 9 do not provide for reclassifications to other categories of financial assets unless the entity changes its business model for managing financial assets. In such cases, which are in any case not frequent, financial assets may be reclassified from this category into one of the other two categories envisaged by the standard (financial assets measured at amortised cost or financial assets measured at fair value with an impact on comprehensive income) and the transfer value will be the fair value at the time of reclassification. The effects of reclassification will operate prospectively from the date reclassification. In this case, the effective interest rate of the reclassified financial asset is determined based on its fair value at the date of reclassification and this date is considered as the initial recognition date allocation to the different credit risk stages for impairment purposes.
For more information on the criteria for classifying financial instruments, please refer to the section below entitled 'Criteria for Classifying Financial Assets'.

Entry Criteria

The initial recognition of financial assets takes place on the settlement date for debt and equity securities, the disbursement date loans, and the subscription date derivative contracts. Financial assets measured at fair value through profit or loss are initially recognised in the balance sheet at their fair value, which generally corresponds to the consideration paid. Any directly attributable transaction costs/income that are incurred in advance and do not represent expense recoveries (such as brokerage commissions, placement fees, stamp duties, etc.) are instead recognised in profit or loss.

Evaluation 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 recognised in the income statement. Market prices are used to determine the fair value of financial instruments listed in 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. For equity securities and for derivative instruments involving equity securities, which are not listed in 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.

Cancellation Criteria

Financial assets are derecognised when the contractual rights to the cash flows from the assets expire or when the financial asset is sold, transferring substantially all risks/benefits associated with it.

Criteria for recognising income components

Gains and losses arising from changes in the fair value of financial assets held for trading are recognised as an overall 'disgorgement' in item 80 'Net trading income' in the income statement, including those related to derivative instruments, while gains and losses arising from changes in the fair value of financial assets designated at fair value and financial assets that are mandatorily measured at fair value are recognised as an overall 'disgorgement' in item 110, including the results of fair value measurements of these assets.

2. Financial assets measured at fair value with impact on comprehensive income (FVOCI)

Classification Criteria

This category includes debt securities and loans that meet two requirements: they are held according to a "Held to Collect and Sell" business model and their contractual characteristics provide for cash flows represented solely by payments of principal and interest, allowing them to pass the "SPPI test". In order for a financial asset to be classified in this category or in the category of financial assets at amortised cost (see next point), in addition to the satisfaction of the business model for which it was acquired, it is necessary that the contractual terms of the asset provide for cash flows at certain dates represented solely by payments of principal and interest on the amount of principal to be repaid ("Solely Payment of Principal and Interest" - SPPI). The SPPI test must be performed at the time the asset is recognised in the balance sheet, whereas, subsequent to initial recognition and as long as the asset is recognised in the balance sheet, the asset is no longer subject to remeasurement for the SPPI test. This item also includes those equity instruments not held for trading purposes for which, upon initial recognition, the option to designate them at fair value with an impact on comprehensive income was exercised.

For more information on the criteria for classifying financial instruments, please refer to the section below entitled 'Criteria for Classifying Financial Assets'.

Entry Criteria

Financial assets measured at fair value with an impact on comprehensive income are recognised in the balance sheet at their fair value, which normally corresponds to the consideration paid. Any directly attributable transaction costs/income that are incurred in advance and do not represent expense recoveries are capitalised on the initial value.

Evaluation Criteria

After initial recognition, assets classified at fair value with an impact on comprehensive income continue to be measured at fair value. For equity securities included in this category, which are not quoted in 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.

Cancellation Criteria

Financial assets are derecognised when the contractual rights to the cash flows from the assets expire or when the financial asset is sold transferring substantially all risks and rewards of ownership of the financial asset.

Criteria for recognising income components

For debt securities, gains/losses are recognised in equity reserves until the financial asset is derecognised, except for the effects of impairment and any exchange rate effect, which are recognised in profit or loss. Upon derecognition, cumulative gain or loss is recognised in the income statement under item 100 "Gains/losses on disposal or repurchase". Impairment losses are recognised in the income statement under item 130 "Net adjustments/write-backs for credit risk". Increases in value due to the passage of time are recognised in the income statement as interest income. Equity instruments for which the option to classify them in this category has been exercised are measured at fair value (or residually at cost if the fair value cannot be determined) and the amounts recognised with a balancing entry in shareholders' equity will not be transferred to the income statement, even if they are sold. As required IFRS 9, the only component related to these instruments that is recognised in profit or loss is the related dividends.

3. Financial assets measured at amortised cost

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 through the collection of contractually agreed cash flows (business model 'HTC');
- the contractual terms of the financial asset provide, at certain dates, for cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (the "SPPI test" passed).

More specifically, they are recognised under this heading:

- loans with banks that meet the requirements set out in the previous paragraph;
- loans to customers that meet the requirements set out in the previous paragraph;
- debt securities that meet the requirements set out in the previous paragraph.

Under the general rules IFRS 9 on reclassification of financial assets, reclassifications to other categories of financial assets not permitted unless the entity changes its business model for managing financial assets. In such cases, which are expected to be highly infrequent, the financial assets may be reclassified from the category measured at amortised cost to one of the other two categories under IFRS 9 "Financial assets measured at fair value through profit or loss" 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 the related fair value are recognised in the income statement in the case of reclassification to 'Financial assets at fair value through profit or loss' and in , in the valuation reserve, in the case of reclassification 'Financial assets at fair value through profit or loss'. For more information on the criteria for classifying financial instruments, please refer to the section below entitled 'Criteria for classifying financial assets'.

Entry Criteria

The initial recognition of financial assets takes place 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.

Evaluation Criteria

Subsequent to initial recognition, the financial assets in question are measured at amortised cost, using the effective interest rate method. In these terms, the asset is recognised at an amount equal to its initial recognition value less principal repayments, plus or minus the cumulative amortisation (calculated using the effective interest rate method) of the difference between this initial amount and the amount at maturity (typically attributable to costs/income allocated directly to the individual asset) and adjusted any provision to cover losses. The effective interest rate is identified by calculating the rate that equals the present value of the future cash flows of the asset, for principal and interest, to the amount disbursed including costs/income allocated to the financial asset itself. 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 measured at historical cost whose short duration makes the effect of applying discounting logic negligible, and 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 credit risk stages provided for by IFRS 9, the last of which (stage 3) includes impaired financial assets and the remaining (stage 1 and 2) performing financial assets. With reference to the accounting representation of the aforementioned valuation effects, the value adjustments referring to this type of asset are recognised in the Income Statement:

- at 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;
- at the time of the subsequent valuation of the asset, where the credit risk has been significantly increased compared to initial recognition, in connection with the recognition of value adjustments for expected losses over the entire residual contractual life of the asset;
- at the time of the subsequent valuation of the asset, if there has been a significant increase in credit risk with respect to initial recognition, the 'materiality' of this increase has then ceased to exist, in relation to adjustment of cumulative value adjustments to take into account the change from an expected loss over the entire residual life of the instrument ('life-time') to one at twelve months. The financial assets in question, if performing, are subjected to an assessment, aimed at defining the value adjustments to be recognised in the financial statements, at the level of the individual credit relationship or security according to the parameters represented by probability of default (PD), loss given default (LGD) and exposure at default (EAD) specifically provided for by IFRS 9. If, in addition to a significant increase in credit risk, there is also objective evidence of an impairment loss, 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 attributed the status of non-performing, probable default or past due/default for more than 90 days according to Bank of Italy rules, consistent with IAS/IFRS and European Supervisory regulations. The expected cash flows take into account the expected recovery times and the presumed realisable value of any guarantees. QIf the reasons for the impairment loss are removed as a result of an event occurring after the impairment was recognised, a reversal of the impairment loss is recognised the income statement. The reversal may not 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 income. In some cases, during the life of the financial assets under review and, in particular, loans, the original contractual terms are subject to subsequent modification at the will of the parties to the contract. Qu When, during the life of an instrument, the contractual terms are amended, it is necessary to determine whether the original asset should continue to be recognised in the balance sheet 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 lead to its derecognition and the recognition of a new asset when they are 'material'. The (qualitative-quantitative) analyses aimed at defining the 'substantiality' of contractual modifications made to a financial asset will therefore have to consider the purposes for which the modifications were made, e.g. renegotiations for commercial reasons and concessions due to financial difficulties of the counterparty. The former, aimed at 'retaining' the customer, involve a debtor who is not in a situation of financial difficulty. Included in this category are 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, that relates to aspects connected 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 carries out a renegotiation in order to avoid losing its customer, such renegotiation must be considered as substantial since, if 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 second, 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 normally not substantially transferred and, consequently, the accounting presentation 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 book value and the present value of the modified cash flows discounted at the original interest rate, and not through derecognition.

Cancellation Criteria

Financial assets are derecognised only if the sale has resulted in the transfer of substantially all the risks and rewards associated with the assets. Conversely, if a material portion of the risks and rewards associated with the transferred financial assets have been retained, they continue to be recognised in the balance sheet, even if legal title to the assets has been effectively transferred. In the event that the substantial transfer of risks and rewards cannot be ascertained, the financial assets are derecognised if no control is retained over them. Otherwise, the retention, even in part, of such control means that the assets are retained in the balance sheet to the extent of the residual involvement, measured by the exposure to changes in the value of the transferred assets and changes in their cash flows.

Recognition of Income Components

For instruments measured at amortised cost (loans to banks and loans to customers), interest is calculated using the effective interest rate, i.e. the rate that exactly discounts the cash flows over the expected life of the instrument (IRR rate).

The IRR, and thus the amortised cost, are determined by taking into account any acquisition discounts or premiums, costs or commissions that are an integral part of the amortised cost.

Interest on impaired loans is calculated on the net exposure of the Expected Credit Losses.

Value adjustments or write-backs, resulting from the Expected Credit Losses model adopted, are recorded in the Income Statement under 'Net Value Adjustments/Recoveries for Credit Risk'.

Amounts resulting from the adjustment of the carrying values of financial assets reflect changes in contractual cash flows that do not give rise to derecognition are recognised in the Profit and Loss Account under "Gains/Losses from contractual changes without derecognition".

4. Hedging transactions

Banca Cambiano 1884 s.p.a. 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 hedge accounting for each type of hedge.

Classification Criteria

Risk hedging transactions are designed to neutralise potential losses, attributable to a particular risk and detectable on a particular item or group of items, should that particular risk actually arise. The types of hedges used are as follows:

- The objective of fair value hedges is to hedge the exposure to changes in the fair value of recognised assets and liabilities or portions thereof, groups of assets/liabilities, firm commitments and portfolios of financial assets and liabilities, as permitted by IAS 39 endorsed by the European Commission. Generic fair value hedges ('macro hedges') have the objective of reducing fluctuations in fair value, attributable to interest rate risk, of a monetary amount arising from a portfolio of financial assets or liabilities;
- cash flow hedging aims to hedge exposure to changes in future cash flows
attributable particular risks associated with balance sheet items;
- hedging a foreign currency investment refers to hedging the risks of an investment in a foreign currency enterprise.

Entry Criteria

Hedging derivatives, like all derivatives, are initially recognised and subsequently measured at fair value.

Evaluation Criteria

Hedging derivatives are measured at fair value. In the case of fair value hedges, the change in fair value the hedged item is offset against the change in fair value of the hedging instrument. This offsetting is recognised through the recognition in the income statement of changes in value, referring to both the hedged item and the hedging instrument. Any difference, representing the partial ineffectiveness of the hedge, consequently constitutes the net economic effect. In the case of generic fair value hedges ("macro hedges"), changes in fair value with reference to the hedged risk of the hedged assets and liabilities are recognised in the balance sheet under item 60. "Value adjustment of financial liabilities subject to generic hedging", in the case of cash flow hedges, changes in the fair value of the derivative are recognised in equity, for the effective portion of the hedge, and are only recognised in the income statement when, with reference to the hedged item, a change in the cash flows to be offset occurs or if the hedge proves ineffective, hedges of a foreign currency investment are accounted for in the same way as cash flow hedges. The derivative instrument is designated as a hedge if there is formalised documentation of the relationship between the hedged instrument and the hedging instrument and if it is effective when the hedge begins and, prospectively, throughout its life. The effectiveness of the hedge depends on the extent to which changes in the fair value of the hedged instrument or its expected flows are offset by those of the hedging instrument. Therefore, effectiveness is assessed by comparing these changes, taking into account the intent of company at the time the hedge was implemented. Effectiveness occurs when changes in the fair value (or cash flows) of the hedging financial instrument almost entirely neutralise, i.e. within the limits set by the range 80-125%, changes in the hedged instrument, for hedged risk element. effectiveness is assessed at each balance sheet date. In the event of the discontinuation of a generic fair value hedging relationship, the cumulative revaluations/writedowns recognised in item 60. Value adjustment of financial assets subject to generic hedging" or item 50. "Value adjustment of financial liabilities subject to generic hedging" are recognised in the income statement under interest income or interest expense over the remaining term of the original hedging relationships, subject to verification that the conditions are met.

5. Participations

Classification Criteria

Shares for which a situation of control, joint control, or significant influence exists are allocated to the investment portfolio. Control is presumed to exist when more than 50% of the voting rights exercisable at shareholders' meetings are held directly or indirectly. Significant influence is exercised when the investor directly or indirectly holds 20% or more of the voting rights. Significant influence can also be determined in the presence of an interest of less than 20% when the following circumstances arise: a) representation on the Board of Directors; b) participation in the decision-making process with regard to the determination of dividends; c) the occurrence of significant transactions between the investor and the investee. Joint control occurs when the voting rights and control of the investee is shared with other parties.

Entry Criteria

This item includes equity investments held in subsidiaries, joint ventures or companies subject to significant influence; these investments upon initial recognition are recognised at acquisition cost, plus directly attributable costs.

Evaluation Criteria

Equity investments are accounted for using the equity method on an ongoing basis. Investments in subsidiaries, jointly controlled entities or entities under significant influence are accounted for at cost, and the carrying amount is increased or decreased to recognise the investor's share of the investee's profits or losses realised after the date of acquisition. Dividends received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may be necessary as a result of changes in the investor's ownership interest in the investee arising from changes in the investee's net assets.

Cancellation Criteria

Financial assets are derecognised when the contractual rights to the cash flows derived from the assets expire or when the financial asset is disposed of by transferring all risks and rewards associated with it.

Criteria for recognising income components

Dividends paid by the investee generated after the date of acquisition are allocated to item 220 of the income statement "Gains/losses on participations". The results of the equity valuation are recorded under item 220 of the income statement "Gains/losses on equity investments" when they have been transferred to the income statement of the investee company; when they have not been transferred to the income statement of the investee company, they are allocated to item 110 of liabilities "Valuation reserves". Gains/losses from the sale of participations are recorded under item 220 of the income statement "Gains/losses from participations".

6. Tangible Assets

Recognition Criteria

Property, plant and equipment, whether or not capitalised, are initially recorded at a value equal to cost including all costs directly related to the commissioning of the asset and non-recoverable purchase taxes and duties. This value is subsequently increased by the expenses incurred from which future benefits are expected. The costs of routine maintenance performed on the asset are recognised in the income statement as they occur.

Evaluation Criteria

After initial recognition, tangible assets are carried at cost less accumulated depreciation and any accumulated impairment losses. Tangible assets are systematically depreciated in each financial year on the basis of their useful life, adopting the straight-line method as the depreciation criterion. They are not subject to depreciation:

- land, whether acquired individually or incorporated in the value of the buildings, as they are considered to have an indefinite useful life. In the event that their value is incorporated in the value of the building, they are considered assets that can be separated from the building; the division between the value of the land and the value of the building is made on the basis of an independent expert's appraisal for buildings held 'free-standing' only;

- works of art, the useful life of which cannot be estimated and whose value generally increases over time.

The depreciation process begins when the asset is available use.

Tangible assets acquired under finance leases

IFRS 16 is based on the concept of transferring the right to use the leased asset: the contract therefore is, or contains, a lease if, in return for consideration, it confers the right to control the use of a specified asset for a period of time. This concept entails a broadening of the scope of the standard that has been adopted for accounting for leases, rentals, leases and similar contracts. The standard provides for the lessee to overcome the accounting dualism between finance leases and operating leases by defining a single accounting model that requires the recognition of:

- a Right of Use (RoU) in the balance sheet assets;
- a Lease Liability (LL);
- to the Profit and Loss Account, amortisation of the Right Use and the financial charges calculated on the liability of the
  leasing.

At initial recognition, the Lease liability is equal to the present value of the lease payments due, discounted using the lease's implicit interest rate, if this can be readily determined, or alternatively the Bank's marginal lending rate. At initial recognition, the Right of Use is equal to the initial measurement of the lease liability, increased by the lease payments due on or before the effective date less any lease incentives received, the initial direct costs incurred by the lessee and the estimated costs to be incurred by the lessee in dismantling and removing the asset or restoring it to its contractual condition. The Right of Use and the Lease Liability shall be recognised Property, Plant and Equipment and Liabilities at amortised cost.

Cancellation Criteria

A tangible asset is derecognised on disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Criteria for recognising income components

Systematic depreciation is accounted for in the income statement under 'Net impairment losses/reversals of impairment losses on property, plant and equipment'. In the first year, depreciation is recognised in proportion to the period of actual availability use of the asset. Capital gains and losses arising from the disposal or retirement of tangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset; they are recognised in the income statement on the same date they are derecognised. The profit and loss account item "Gains (Losses) on disposal of investments" recognises the balance, positive or negative, between gains and losses on disposal of tangible investments.

7. Intangible Assets

Classification Criteria

This item comprises those non-monetary assets without physical substance that are held for use over a multi-year or indefinite period and that meet the following characteristics:

- identifiability;
- the company has control;
- it is probable that the expected future economic benefits attributable to the business will flow to the company;
- the cost of the activity can be reliably assessed.

In the absence of one of the above characteristics, the 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 assets that originate from legal or contractual rights. Expenses on leased assets (leased branches) have been recognised under item 120 of assets "Other assets", and the related amortisation has been proportionate to the duration of the lease contracts. In the context of a business combination, IFRS 3 states that at the date of acquisition of control, the acquirer must classify or designate the intangible assets acquired. Quanto the definition of intangible items, the standard identifies intangible items acquired in a business combination as identifiable non-monetary assets without physical substance.

Entry Criteria

Intangible assets are recognised at cost, adjusted for any incidental expenses incurred in preparing the asset for use. In a business combination, the acquirer must classify or designate the intangible assets acquired and recognise them at their fair value. Goodwill, recognised as an asset at the acquisition date, is initially measured at cost. On an annual basis, or in any case whenever there is evidence of impairment, an impairment test of goodwill is performed in accordance with IAS No. 36. The amount any impairment loss is determined on the basis of the difference between the carrying amount goodwill and its recoverable amount, whichever is lower. This recoverable amount is equal to the higher of the fair value of the cash-generating unit, net of any costs to sell, and its value in use. The resulting impairment losses are recognised in the income statement under 'Goodwill impairment losses'. An impairment loss recognised for goodwill cannot be reversed in a subsequent period.

Evaluation Criteria

After initial recognition, intangible assets with a 'finite' life are recognised at cost less accumulated amortisation and accumulated impairment losses. The amortisation process begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended, and ceases when the asset is derecognised. Depreciation is provided on a straight-line basis to reflect the long-term use of the assets based on their estimated useful life. At each balance sheet date, if there is evidence of impairment, the recoverable amount of the asset is estimated. The amount of the loss, recognised in the income statement, is equal to the difference between the asset's carrying amount and its recoverable amount.

Cancellation Criteria

An intangible asset is removed from the balance sheet when it is disposed of or is no longer in able to provide future economic benefits.

Criteria for recognising income components

Both amortisation and any impairment losses/reversals of impairment losses on intangible assets other than goodwill are recognised in the income statement under 'Net impairment losses/reversals of impairment losses on intangible assets'. Impairment losses on goodwill are recognised in the income statement under the item 'Impairment losses on goodwill'. Gains and losses arising from the disposal or retirement of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in the income statement. In the item "Gains (Losses) on disposal of investments", the balance, whether positive or negative, between gains and losses on disposal of investments are recognised.

8. Other Assets

Other assets essentially comprise items awaiting settlement and items that cannot be allocated to other balance sheet items, including receivables arising from the supply of non-financial goods and services, tax items other than those recognised under own items, and accrued income and prepaid expenses other than those to be capitalised on the related financial assets. The Bank has included in 'Other assets' tax credits for tax bonuses acquired as a result of transfers by direct beneficiaries or previous purchasers in connection with the 'Cure Italy' and 'Relaunch' decrees (see recognition under 'Other information').

G. Non-current assets or groups of assets/liabilities held for sale

This category includes non-current assets held for sale. These assets are measured at the lower of book value and fair value, less costs to sell; if they have been subject to amortisation, the latter ceases. Since they are discontinued operations, the balance sheet and profit and loss account entries are shown separately. At the balance sheet datethe Bank held no such assets.

10. Current and Deferred Taxation

The item includes:

- Current tax assets;
- Deferred tax assets with contra-entry to the profit and loss account;
- Tax assets with contra-entry to ;
- Current tax liabilities;
- Deferred tax liabilities with contra-entry to the profit and loss account;
- Deferred tax liabilities with contra-entry to .

Classification Criteria

Current tax assets and liabilities.

Current taxes for the year and prior years, to the extent they have not been paid, are recognised as liabilities; any excess over the amount due is recognised as an asset.

Deferred Tax Assets and Liabilities

Deferred tax assets, relating to deductible temporary differences or future tax benefits obtainable from the of tax losses, are recognised in the financial statements to the extent there is a probability of their recovery, assessed on the basis of the ability of the company concerned or the consolidating company as a result of the option relating to the so-called 'domestic tax consolidation' to generate taxable income on a continuing basis in the future financial years. Deferred tax liabilities are recognised in the balance sheet, with the sole exception of the higher asset values represented by the reserves in suspense for tax purposes, since the amount of available reserves already subject to taxation makes it reasonable to assume that no transactions will be carried out on the company's own initiative that would lead to their taxation. Deferred tax assets and deferred tax liabilities are accounted for in the balance sheet with open balances and without offsetting, with the former included under 'Tax assets' and the latter under 'Tax liabilities'.

Entry and evaluation criteria-

The effects of current, advance and deferred taxes are recognised by applying current tax rates or, if known, the expected tax rates. The provision for income taxes is determined on the basis of a prudent forecast of current, prepaid and deferred tax liabilities. Specifically, deferred tax assets and liabilities are determined on the basis of temporary differences and without time limits between the value attributed to an asset or liability according to statutory criteria and the corresponding values assumed for tax purposes.

Cancellation Criteria

Current and deferred tax assets and liabilities are appropriately reversed on settlement of the tax and/or change in existing tax legislation.

Criteria for recognising income components

Income taxes are recognised in the income statement with the exception of those relating to items debited or credited directly to equity.

11. Provisions for Risks and Charges

Provisions are defined as a liability with an uncertain maturity or amount. Provisions for risks and charges are divided into:

- Provisions for risks and charges for commitments and guarantees given. This sub-item includes provisions set aside against commitments and guarantees given that fall within the scope of application of the impairment rules pursuant to IFRS 9. For these cases, the same methods of allocation between the various stages of credit risk and calculation of the expected loss already set out with reference to financial assets measured at amortised cost are adopted;
- Provisions for pensions and similar obligations. These provisions are established in implementation of company agreements and are identified as 'defined benefit plans'. The liability relating to these plans is determined on the basis of actuarial assumptions by applying the 'Projected Unit Credit Method'. Actuarial gains and losses arising from changes in the present value of the obligation due to changes in actuarial assumptions are recognised in the statement of comprehensive income;
- Other Provisions for Risks and Charges Other provisions for risks and charges consist of other relating to legal or employment-related obligations or disputes, including tax disputes. Provisions are recognised if and only if there is an ongoing obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision represents the best estimate of the expenditure required to settle the obligation at the balance sheet date and reflects risks and uncertainties that inevitably characterise a number of facts and circumstances. The amount of the provision is the present value of the expenditure that is expected to be required to settle the obligation where the effect of present value is a material consideration. Future events that may affect the amount required to settle the obligation are taken into account only if there is sufficient objective evidence that they will occur.

In the case of a merger, IFRS 3, departing from IAS 37, states that the acquirer shall recognise a contingent liability assumed in a business combination at the acquisition date if it is a present obligation that arises from past events and whose fair value can be measured reliably. Therefore, in contrast to IAS 37, the acquirer recognises a contingent liability assumed in a business combination at the acquisition date even if it is unlikely that an outflow of resources embodying economic benefits will be required to settle the obligation.

12. Financial liabilities measured at amortised cost

Classification Criteria

Due to banks, Due to customers, Securities issued and other financial liabilities include the various forms of interbank and customer funding as well as finance lease liabilities. In particular, The sub-item 'Securities in issue' includes securities issued (including subordinated loans, interest-bearing bonds, certificates of deposit), net of securities repurchased.

Entry Criteria

Initial recognition of these financial liabilities occurs when the sums collected are received or the debt securities are issued. Initial recognition is based on the fair value of the liabilities, which is usually equal to the amount collected or the issue price, plus any additional costs/income directly attributable to the individual funding transaction or issue and not reimbursed by the creditor counterparty. Internal administrative costs are excluded. The fair value of any financial liabilities issued below market conditions, with regard to listed securities, is estimated and the difference with respect to market value is recognised directly in the income statement. With respect to lease obligations, at the commencement of the lease term, the Bank values the financial liability based on the present value of future lease payments due. The payments are discounted using the interest rate implicit in the lease.

Evaluation Criteria

After initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method. An exception is made for liabilities, where the time factor is negligible, which remain recognised at the amount collected and whose costs, if any, are allocated to the income statement on a straight-line basis over the contractual term of the liability.

Cancellation Criteria

Financial liabilities are derecognised when they expire or are extinguished. Derecognition also occurs when previously issued securities are repurchased. The difference between the carrying amount of the liability and the amount paid to repurchase it is recognised in the income statement. The reissue of own securities in the market after their repurchase is considered a new issue with recognition at the new placement price, with no effect on the profit and loss account.

Criteria for recognising income components

Negative income components represented by interest expenses are recognised, on an accrual basis, in the interest items of the income statement. Any difference between the repurchase value of own securities and the corresponding book value of the liability is recognised in the Profit and Loss Account under Gains/Losses on sale or repurchase.

13. Financial liabilities held for trading

Entry Criteria

These financial instruments are recognised at the subscription or issue date at a value equal to the fair value of the instrument, without considering any transaction costs or income directly attributable to instruments. This liability category includes trading derivative contracts with a negative fair value. **Valuation Criteria**

All trading liabilities are measured at fair value with the result of the valuation recognised in the income statement.

Cancellation Criteria

Financial liabilities held for trading are derecognised when the contractual rights to the related cash flows expire or when the financial liability is transferred with the transfer of substantially all risks and rewards of ownership.

14. Financial liabilities designated at fair value

Financial liabilities measured at fair value include liabilities to which the fair value option is applied. The Bank has not designated any financial liabilities measured at fair value.

15. Currency Transactions

Classification Criteria

Currency transactions consist of all assets and liabilities denominated in currencies other than the euro.

Entry Criteria

Transactions in foreign currencies are recorded on initial recognition in euros, applying the exchange rate in force on the date of the transaction to the foreign currency amount.

Evaluation Criteria

At the reporting date, monetary assets and liabilities in foreign currencies are converted using the spot exchange rate on that date.

Criteria for recognising income components

Exchange rate differences on foreign currency transactions are recognised in item 80 of the profit and loss account "Net trading income(') .

Other information

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.

Accruals and deferrals

Accruals, which relate to charges and income for the year accrued on assets and liabilities, are posted as adjustments to the assets and liabilities to which they relate. In the absence of relationships to which they relate, they will be shown under 'Other assets' or 'Other liabilities'.

Leasehold improvements

Renovation costs of non-owned real estate are capitalised in view of the fact that for the duration of the lease contract the user company has control over the assets and can derive future economic benefits from them. These costs, classified under 'Other Assets', are depreciated over a period not exceeding the term of the lease contract.

Staff severance pay

The staff severance indemnity fund was recorded on the basis of its actuarial value calculated annually by an independent actuary. For discounting purposes, the projected unit credit method is adopted, which considers the projection of future disbursements based on historical and statistical analyses and the demographic curve; the discount rate is a market interest rate. Contributions paid in each financial year are considered as separate units recognised and valued individually for the purpose of determining the final obligation. Following the reform of supplementary pensions pursuant to Legislative Decree No. 252 of 5 December 2005, the severance indemnities accrued up to 31 December 2006 remain with the company, while the amounts accrued thereafter must, at the employee's choice, be allocated to supplementary pension schemes or transferred to INPS. Starting from the 2012 financial year, changes in actuarial type components of severance pay are accounted for with an impact on Shareholders' Equity and are therefore shown in the Statement of Comprehensive Income.

Issuance of Additional Tier 1

As indicated in the "Capital Adequacy and Regulatory Ratios" section of the Report on Operations, AT1 instruments issued as of 31/12/2024 amounted to 40,000,000.00; there were no issues during the year 2024. The securities are perpetual and may be called by the issuer, subject to authorisation the competent authority, at any redemption date from the 5th year from the date issue. The initial interest rate varies for the different issues and will be used to calculate the coupons paid in the first 5 years from the issue date. After that time, the interest rate will be recalculated on the basis of the 5-year EUR mid-swap rate recorded on the date of recalculation, increased in accordance with the regulations of the individual loans. Such Interest Rate shall be used for Payment Dates falling within the following 5 years. The Interest Rate will be recalculated every 5 years in the manner described above. In line the provisions of the CRR for AT1 instruments, the issuer has full discretion not to pay coupons, for any reason and for an unlimited period of time; however, cancellation is mandatory should certain conditions occur, including the occurrence of the trigger event described in the following paragraph. It should be noted that interest is not cumulative: any amount that the issuer decides not to pay (or is obliged not to pay) will not be accrued or payable at a later date. In addition, the regulation of the loans under review provides that upon the occurrence of an activating event, i.e. if Banca Cambiano 1884's Common Equity Tier 1 (CET1) (or the consolidated CET1) were to fall below the 5.125% level, there would be - irrevocably and mandatorily - a cancellation of capital ("Write-down") for the amount necessary to bring CET1 (of the Bank or the Group) back to 5.125%. Under certain conditions, and at the issuer's complete discretion, capital previously subject to write-off may be reinstated ("Revaluation"). In this regard, it should be noted that the voluntariness regarding the reinstatement of previously written-off capital would also exist in the event of early redemption by the issuer. For accounting purposes, the issue in question was considered an 'equity instrument', pursuant to the rules set forth in IAS 32. In the financial statements as of 31 December 2024, the full amount of the consideration received for the issue is recognised in the equity item '130 - Equity Instruments', as no transaction costs directly attributable to the loan were incurred, which would have to be deducted, net of tax effect, from the amount of the loan recognised in the financial statements under the aforementioned item 130. Consistent the nature of the instrument, coupons are recognised as a reduction of shareholders' equity (equity item "140. Reserves"), if and to the extent that they are paid. The amount of coupons paid on this type of security,

during year 2024, was 2,197,500.00. The overall impact on equity as at 31 December 2024
(140. Reserves) was 5,740,000.00.

Income Statement

Revenues are measured at the fair value of the consideration received or receivable and are recognised when future benefits are received and those benefits can be reliably measured. Costs are recognised as incurred. Costs that cannot be associated with revenues are recognised immediately in the income statement. In particular:

- costs and revenues, directly attributable to financial instruments measured at amortised cost and determinable from inception regardless of when they are settled, flow through the income statement by applying the effective interest rate;
- Dividends are recognised in the income statement when they are received;
- Revenues from trading financial instruments, determined by the difference between the transaction price and the fair value of the instrument, are recognised in income statement when the transaction is recognised if the fair value can be determined by reference to recent parameters or transactions observable on the same market on which the instrument is traded;
- other commissions are recognised on an basis.

Costs directly attributable to financial instruments measured at amortised cost and determinable from inception, regardless of when they are settled, are charged to the income statement through the application of the effective interest rate, for the definition of which please refer to the section "Loans and Receivables". Impairment losses are charged to the profit and loss account in the year in which they are recognised. Interest on arrears, if contractually provided for, is recognised in the income statement only when it is actually collected. Impairment losses are recognised in the profit and loss account in the year in which they are recognised.

The Classification Criteria for Financial Assets

The classification of financial assets into the three categories envisaged by the standard depends on two classification criteria: the business model under which the financial instruments are managed (or Business Model) and the contractual characteristics of the financial assets' cash flows (or SPPI Test). The combination of the above two criteria results in the classification of financial assets, as outlined below:

- Financial assets measured at amortised cost: assets that pass the SPPI test and are included in the HTC business model;
- Financial assets at fair value with impact on comprehensive income (FVOCI): assets that pass the SPPI test and fit into the HTCS business model;
- Financial assets measured at fair value through profit or loss (FVTPL): this is a residual category, which includes financial instruments that cannot be classified in the previous categories based on the results of the business model test or the test on the contractual flow characteristics (SPPI test not passed). In order for a financial asset to be classified at amortised cost or FVOCI, in addition to the business model analysis, it is necessary that the contractual terms of the asset itself provide for cash flows at specified dates represented solely by payments of principal and interest on the principal amount to be repaid ("solely payment of and interest").
  - SPPI). This analysis must be performed, in particular, for loans and debt securities. The SPPI test must be performed on each individual financial instrument at the time of its recognition. After initial recognition, and as long as the asset is recognised in the balance sheet, the asset is no longer subject to remeasurement for the purposes of the SPPI test. QWhen a financial instrument is derecognised and a new financial asset is recognised, the SPPI test must be performed on the new asset. For the purposes of applying the SPPI test, IFRS 9 provides definitions :
- Principal: is the fair value of the financial asset at initial recognition. This value may change during the life of the financial instrument, for example as a result of repayments of part of the principal;
- Interest: is the consideration for the time value of money and for credit risk associated with the principal outstanding in a particular period of time. It may also include remuneration for other basic risks and costs associated with lending and a profit margin. In assessing whether the contractual flows of a financial asset qualify as , IFRS 9 refers to the general concept of a 'basic lending arrangement', which is independent of the legal form of the asset. Qu↩ where contractual provisions introduce exposure to risk or volatility of contractual cash flows that inconsistent with the definition of a basic lending arrangement, such as exposure to changes in equity or commodity prices, the contractual cash flows do not meet the definition of SPPI. The application of the classification criterion based on contractual cash flows sometimes requires subjective judgement and, therefore,

the definition of internal application policies. In cases where the time value of money is modified ("modified time value of money") - for example, when the interest rate of the financial asset is periodically re-determined, but the frequency of the re-determination or the frequency of coupon payments do not reflect the nature of the interest rate (e.g., the interest rate is revised monthly on the basis of a one-year rate) or when the interest rate is periodically re-determined on the basis of an average of particular short or medium/long-term rates, the company must assess, using both quantitative and qualitative elements, whether the contractual flows still meet the definition of SPPI (the so-called benchmark cash flows test).so-called benchmark cash flows test). ǪIf the test shows that the contractual cash flows (undiscounted) are 'significantly different' from the cash flows (also undiscounted) of a benchmark instrument (i.e. without the modified time value element), the contractual cash flows cannot be considered to meet the definition of SPPI. For the purposes of performing the SPPI test, for debt securities , Banca Cambiano 1884
s.p.a. makes use of the services provided by external info-providers. This choice, on the one hand, allows front-office operators working in securities to have an immediate outcome for the performance of the test, allowing for a streamlining of the paperwork at the time of purchase, and, on the other, allows for the use of market settings shared by multiple operators and auditing firms. On the other hand, a proprietary tool based on a methodology developed in-house for decision trees was developed for conducting the SPPI test in the context of credit granting processes.

Business model

With regard to the business modelIFRS 9 identifies three cases in relation to how they are
managed cash flows and sales of financial assets:

- Hold to Collect (HTC): this is a business model whose objective is achieved through collection of the contractual cash flows of the financial assets included in the associated portfolios. The inclusion of a portfolio of financial assets in such a business model does not necessarily imply that the instruments cannot be sold, although it is necessary to consider the frequency, magnitude of value, the reasons for the sales and expectations regarding future sales;
- Hold to Collect and Sell (HTCS): is a mixed business model, the objective of which is achieved through the collection of contractual cash flows of the financial assets in the portfolio and also through a selling activity that is an integral part of the strategy. Both activities (contractual cash flows and sales) are indispensable for the achievement of the business model's objective. Therefore, sales are more frequent and significant than in an HTC business model and are an integral part of the strategies pursued;
- Others/Trading: this is a residual category that includes both financial assets held for trading purposes and financial assets managed with a business model that does not fall under the previous categories (HTC and HTCS). In general, this classification applies to a portfolio of financial assets whose management and performance are measured on a fair value basis. The business model reflects the manner in which financial assets are managed to generate cash flows for the benefit of the entity and is defined by the bank's senior management through the appropriate involvement of business structures. In essence, the business model:
    - reflects how financial assets are managed to generate cash flows;
    - is defined by the bank's top management, through the appropriate involvement of the business structures;
    - must be observable considering the way financial assets are managed. In operational terms, the assessment and composition of the business model is carried out consistently with the corporate organisation, the specialisation of business functions, the expected cascading risk model, and the allocation of delegated powers.

In making the assessment of the business model, all relevant factors available at the date of the assessment are used. The aforementioned evidence includes strategy, risks and their management, reporting and sales figures. In analysing the business model, it is essential that the elements investigated show consistency with each other and in particular are consistent with the strategy pursued. Evidence of activities that are not in line with the strategy must be analysed and adequately justified. For the HTC portfolio, Banca di Cambiano 1884 s.p.a. has defined the thresholds of admissibility of sales that do not invalidate the classification (frequent but not significant, individually and in aggregate, or infrequent even if of a significant amount) and, at the same time, parameters have been established to identify sales that are consistent with this business model insofar as they can be attributed to an increase in credit risk. More in detail, within the framework of an HTC business model, sales are allowed:

- in the event of an increase in credit risk, which can be determined for securities, when a downgrade of predetermined notches from the original rating;

- when they are frequent but not significant in terms of value or occasional even if significant in terms of value. In order to determine these aspects, thresholds of frequency and significance have been defined. With reference to the determination of the "Risks" on the HTCS and Other/Trading business models, the provisions of the Internal Finance Regulation and the RAF on market risk controls apply in principle.

Method of determining amortised cost

The amortised cost of a financial asset or financial liability is the amount at which it was measured at initial recognition, net of principal repayments, plus or minus the cumulative amortisation, determined using the effective interest method, of differences between the initial amount and the maturity amount and net of any impairment losses. The effective interest rate is the rate that equals the present value of a financial asset or financial liability to the contractual stream of future or received payments until maturity or the next reset date. For fixed-rate or fixed-period instruments, future cash flows are determined based on the known interest rate over the life of the instrument. For floating-rate financial assets or liabilities, future cash flows are determined based on the latest known rate. At each repricing date, the amortisation schedule and effective rate of return are recalculated over the entire life of the financial instrument, i.e. until the maturity date. Amortised cost is applied for loans, held-to-maturity financial assets, available-for-sale financial assets, debt and securities in issue. Financial assets and liabilities traded at market conditions are initially recognised at their fair value, which normally corresponds to the amount paid or disbursed including directly attributable transaction costs and fees. Internal marginal costs and income attributable at the time of initial recognition of the instrument and not recoverable from customers are considered transaction costs. These incidental components, which must be attributable to the individual asset or liability, affect the effective yield and make the effective interest rate different from the contractual interest rate. Therefore, costs and income that are indistinctly attributable to several transactions and related components that may be recognised during the life of financial instrument are excluded. In addition, costs that the Bank would incur independently of the transaction, such as administrative costs, stationery, etc., are not considered in the calculation of amortised cost.

Method for determining impairment losses - Impairment of non-performing financial assets In determining the recoverable amount of impaired loans to customers measured at amortised cost, the Bank, as part of its classification and valuation policies, has used valuation processes and methods characterised by subjectivity and the estimation of certain variables, such as, principally, the expected cash flows, the expected recovery times and the presumed realisable value of guarantees, if , whose change may lead to a change in the final recoverable amount; this determination was based on the use of information available at the valuation date.

At each balance sheet 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 is 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. If such evidence exists (so-called 'impairment evidence'), the financial assets in question are considered impaired and are included in Stage 3. With respect to these exposures, represented by financial assets classified, pursuant to the provisions of Bank of Italy Circular No. 262/2005, in the categories of non-performing loans, probable defaults, and exposures past due for more than 90 days, value adjustments must be recognised equal to the expected losses over their entire residual life. Positions classified as Stage 3 are assigned to different risk statuses and accordingly subject to analytical or lump-sum valuation. Value adjustments on Stage 3 exposures reflect the expected loss calculated over the entire life of the exposure. Impaired exposures other than non-performing exposures below a predetermined threshold, for which no objective evidence of loss was identified, were subjected to the lump-sum assessment, which involves the statistical determination of expected loss and then the related value adjustments for homogeneous categories of exposures (defined by counterparty segment and technical form). Analytical write-downs, however, are carried out whenever objective impairment events are identified that require a detailed analysis. In particular, in relation to the concept of significance referred to by current accounting standards, impaired past-due exposures and probable defaults individually below the significance threshold of €300,000 were subject to impairment using a lump-sum method. The valuation of exposures classified as non-performing is updated periodically so as to allow for the timely recognition in the accounts of all events that may change prospects for credit recovery. The valuation of non-performing loans is carried out analytically, i.e., on the basis of a recognition on the recoverability of the individual positions entrusted, taking into account all the elements useful for defining the expectation of recovery, such as, but not limited to

- the nature of the claim;
- the presence of collateral and/or personal guarantees for the evaluation of which please refer to the specific sections below;
- the assets of the obligors/possible co-obligors;
- the income situation of the obligors/possible co-obligors;
- the presence of any settlement or restructuring agreements;
- the status of any pending legal proceedings (enforcement procedures);
- the exposure of the obligors to the banking system, status of the overdraft in the system, any reporting of non-performing loans;
- the exposure of the obligors vis-à-vis other creditors;
- the results of the latest available balance sheets;
- the legal status of the obligors and the pendency of bankruptcy and/or individual

proceedings. In determining any impairment loss, the Bank considers the following factors:

- existence/type of collateral: mortgage-backed claims, pledge-backed claims, claims backed by personal guarantees, unsecured claims;
- collateral: residential real estate, non-residential real estate, pledge of money, securities, GPM, receivables or goods;
- available valuation (CTU, independent expert's report, date of report);
- nature of the guarantor (bank or other entity);
- status of recovery (proceedings not yet started, out-of-court settlements, bankruptcy proceedings);
- amount bands, for unsecured credits.

The valuation of exposures classified as likely to default is updated periodically so as to allow for the timely recognition of any events that may change the prospects for recovery of the loans, as well as to ascertain whether the conditions for their transfer to non-performing status are met.

On this category, value adjustments are made:

- for positions above€ 300,000 analytically;
- for positions less than or equal to the threshold of € 300,000, for which no objective evidence of loss is identified, using a lump-sum method for homogeneous types of exposure.

Probable defaults that have a gross exposure exceeding € 300,000 have been assessed analytically. The purpose of the valuation is to determine any expected losses, bearing in mind, however, that positions are classified in this risk class on the basis of the Bank's judgement as to the unlikelihood that, without recourse to actions such as the enforcement of guarantees, the debtor will fulfil its credit obligations in full; as is known, this valuation must be made independently of the presence of any amounts (or instalments) overdue or not. Therefore, in the case of a position classified as a probable default, the estimate of the estimated realisable value of the receivable is made by assessing the debtor's ability to meet obligations, measured on the basis of all available information on the debtor's financial and economic situation and the value of any existing guarantees protecting the receivables. The recoverable amount is determined, depending on the recovery strategy envisaged (distinguishing between "continuing operations" and "discontinued operations"), which reflects the overall riskiness, by assessing the ability to generate cash flows adequate to repay the exposure and/or on the mere enforcement of guarantees. The credit assessment is carried out by examining appropriate documentation which, by way of indication and not limitation, includes, to the extent significant and applicable to the type of customer:

- the performance of the report;
- the current and prospective economic and financial situation of the counterparty, through analysis of the latest available balance sheets and forward plans if it is a legal entity;
- debt exposure to third parties and to the banking system (through analysis of CR, CRIF reports);
- any non-performing loans from the banking system/other creditors or ongoing plans for the debt restructuring;
- any documentation drawn up by third-party professionals or third-party experts attesting to the reversibility of any state of crisis in which the client finds himself, the suitability of the actions taken to overcome that state and the assessment criteria used;
- the debtor's willingness to reach an agreement for the repayment of any arrears/overdrafts or for the renegotiation of the claim;

- the length of time the position will remain in probable default. Forecasts of expected losses, formulated for each individual exposure, are based on a thorough and organic examination of all available and available documentation.

For positions less than or equal to the threshold of €300,000, for which no objective evidence of loss is identified, impairment is carried out using the lump-sum method for homogeneous types of exposures. The lump-sum valuation provides for the statistical determination of the expected loss and therefore of the related value adjustments. In particular, impairment using the lump-sum method is determined according to the following formula, given that the PD (Probability of Default) is also assumed to be 100% for Probable Defaults:

$$Svalutazione = DR * LGS * EAD$$

where:

- DR= 30-year probability default decay rate broken down exposure segment
  credit (corporate/retail);
- LGS= Loss Given Default Doubtful;
- EAD= amount of loans classified as likely to default at the reference date, broken down, as for non-performing loans, by type of collateral backing the position (collateral/other), by segment (corporate/retail) and by amount range (0-20,000, 20,000-50,000, over 50,000).

Positions classified as past due, for which no objective evidence of loss is identified, are valued using the lump-sum method for homogeneous types of exposures. The valuation using the lump-sum method provides for the statistical determination of the expected loss and therefore of the related value adjustments. In particular, impairment using the lump-sum method is determined according to the following formula, given that the PD (Probability of Default) is also assumed to be 100% for past due positions:

$$Svalutazione = DR * LGS * EAD$$

where:

- DR= 30-year decay rate of past due positions by exposure segment
  credit (corporate/retail);
- LGS= Loss Given Default Doubtful;
- EAD= amount of loans classified as Probable Default at the reference date, broken down, as for non-performing and Probable Default, by type of collateral supporting the position (collateral/other), by segment (corporate/retail) and by amount range (0-20,000, 20,000-50,000, over 50,000).

Methods for determining impairment losses - Impairment of performing financial assets As part of its policies for the management of loans to customers for financing, the Bank has adopted processes and methods for monitoring the performance of relationships that , among other things, a detailed activity of classifying credit positions into homogeneous risk categories, in accordance with the provisions of the sector regulations and the internal provisions governing the rules for classification and transfer into the various risk categories.

For financial assets for which there is no evidence of impairment (non-impaired financial instruments), it is instead necessary to verify whether there are indicators such that the credit risk of the individual transaction is significantly increased with respect to the time of 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 loss of value, 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 verify their congruity with respect to constantly updated loss estimates, and to take into account - in the event that the indicators of a "significantly increased" credit risk cease to exist - the changed forecast horizon for calculating the expected loss. The valuation, in this case, in accordance with the dictates of international accounting standards and even in the absence of a manifest loss of value, 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 balance sheet date both to periodically verify their congruity with respect to the constantly updated loss estimates, and to take into account - should indicators of a "significantly increased credit risk arise - the changed forecast horizon for calculating the expected loss. With regard to the valuation of financial assets and, in particular, to the identification of the 'significant increase' in credit risk (a necessary and sufficient condition for the classification of the asset being valued in stage 2), the elements that -

Pursuant to the principle and its operational interpretation carried out by Banca Cambiano 1884 s.p.a. - main determinants to be taken into consideration are the following:

- the change in default probabilities used for internal management purposes. It is, therefore, an assessment made using a "relative" criterion. The criterion was revised in July 2022, during the course of the inspection, and, in accordance with the current approach of the Bank's internal rating system, provides for Stage 2:
  - performing exposures with default risk at initial recognition date 1, 2, 3 or 4 for which a final classification of at least 10 was recorded;
  - performing exposures with default risk at the initial recognition date of 5 or 6 for which a "jump" of 6 classes of internal PD has been recorded;
  - performing exposures with default risk at the date of initial recognition of 7, 8, 9 or 10 for which a "jump" of 5 internal PD classes has been recorded;
  - performing exposures with default risk at the date of initial recognition equal to 11 for which a 'jump' of 4 classes of internal PD has been recorded;
- the possible presence of a past-due exposure that - without prejudice to the thresholds of significance identified by the regulations - has been so for at least 30 days. In the presence of such an event, in other words, the credit riskiness of the exposure is presumptively deemed to have 'significantly increased' and, therefore, a 'move' to stage 2 follows (where the exposure was previously included in stage 1);
- the possible presence of forbearance measures, which - again on a presumptive basis - result in the classification of exposures as those whose credit risk is 'significantly increased' compared to initial recognition;
- finally, some of the indicators of the credit monitoring systems specifically used are considered for the purposes of the transition between 'stages'. The reference, in particular, is to the so-called 'watch-list' positions, i.e. the positions subject to an observation regime in the face of individual evidence of criticality.

Once the allocation of exposures to the different stages of credit risk has been defined, the expected loss, which represents an estimate of credit losses, weighted for the relative probability of occurrence, is calculated over a time horizon of 12 months for Stage 1 exposures or over the expected remaining life of the financial instrument for Stage 2 exposures. A similar valuation model is then adopted for all receivables classified as Stage 1 and Stage 2, with the only distinguishing feature being the time horizon for estimating the expected loss. The following risk factors are considered in the valuation model:

- PD (Probability of Default) - probability of default, a parameter representing the probability of a counterparty to migrate from "performing" to "insolvent" status within time horizon of one year (Stage 1) or throughout the expected life of the financial instrument (Stage 2). The probability of insolvency is calculated on the basis of parameters determined internally by Banca Cambiano and subsequently proceeding to the inclusion of appropriate corrective elements to allow for the effects of the so-called forward-looking information relating to the macroeconomic reference scenarios to be considered;
- (Loss Given Default) - loss given default rate, a parameter that expresses in percentage terms the incidence of loss, net of recoveries, compared to the amount of past exposure to insolvency, measured on the basis of appropriate internal modelling at Banca Cambiano (reported in Appendix A4). This parameter also includes expected direct recovery costs;
- EAD (Exposure at Default) - The treatment of EAD differs according to the type of exposure and maturity: "deterministic" amortisation schedule exposures with known cash flows and known maturity and "stochastic" exposures with unknown cash flows and/or unknown maturity. For exposures with a deterministic amortisation schedule, the EAD is defined using the amortisation schedule based on the evolution of contractual cash flows. On the other hand, exposures with an unknown amortisation schedule (e.g. non-accruals such as current accounts) are valued with an EAD calculated on the basis appropriate modelling that takes into account both the value of the "on-balance" exposure and the "off-balance" component considered as potentially risky in view of the possibility of the customer increasing its drawdowns. These exposures are valued with a duration of 12 months, consistent with the review period envisaged by the Bank for these types of contractual relationships.

In determining expected losses, all reasonable and demonstrable information available at the balance sheet date without undue cost or effort is considered. The information used shall consider past events, current conditions and forecasts of future economic conditions.

Banca Cambiano has defined the formula for calculating the ECL (1) as follows:

$$ECL(t_0) = \sum_{i=1}^{n} D(t_0, t_i) \times EAD(t_i) \times MPD(t_i) \times LGD(t_i)$$

where:
n= Expiry date
$ECL(t_0)$= Value adjustment calculated at reporting date MPD(t_i) =
Probability of marginal default in t_i
$LGD(t_i)$= Value of LGD at the future t-th instant
$EAD(t_i)$= Value of EAD at the future t-th instant
$D(t_0, t_i)$= Discount factor $t_0 t_i$
n= residual life of the report (maturity minus reporting date)

With respect to financial assets classified as Stage 1, the formula is calculated limited to a maximum time horizon of 1 year or less if the duration of the financial instrument is less than 12 months. The instants t_i indicated in the formula are consistent with the frequency provided by the output of multi-period EAD calculation or with the annual frequency, in the case of an amortisation plan with a single repayment at maturity (so-called bullet). With reference to financial assets classified as Stage 2, the calculation formula is calculated over a time horizon equivalent to the residual maturity of the instrument (life-time). The instants t_i are always consistent with the frequency provided by the output of the multi-period EAD calculation or with the annual frequency, in the case of bullet amortisation schedules.

At each reporting date, both ECL 1-year and ECL Lifetime are calculated for each report using the multi-period metrics of PD, LGD and EAD described earlier in the application of the formula, taking into account all payment terms up to:

- Time horizon of 1 year from the reporting date for the calculation of the ECL 1 year (in the case of a duration of less than 12 months, the remaining contractual term will be considered);
- Expiry date of the individual relationship for the calculation of ECL Lifetime (in the case of a duration of less than 12 months, the remaining contractual duration will be considered).

Accounting treatment of tax credits related to the "Cure Italy" and "Relaunch" Decree-Laws acquired as a result of assignment by direct beneficiaries or previous purchasers. Approach used for the accounting treatment of purchased tax credits (tax bonuses).

Decree-Laws No. 18/2020 (so-called 'Cure Italy') and No. 34/2020 (so-called 'Relaunch') introduced into the Italian legal system tax incentive measures connected with both investment expenses (e.g., eco and seismic bonus) and current expenses (e.g., rents of premises for non-housing use). Further, the Government has again intervened on the subject through Decree-Law No. 50/2022 (the so-called 'Aid Decree'), mainly redefining the number of potential recipients, and through Decree-Law No. 11/2023, determining, albeit with certain exceptions to the same, the prohibition to opt, instead of the direct use of the deduction, for the discount on the invoice or the assignment of the credit. These tax incentives apply to households or businesses, are commensurate with a percentage of the expenditure incurred (which in some cases reaches as much as 110%) and are disbursed in the form of tax credits or tax deductions (which can be converted into tax credits upon option). The main features of these tax credits are: (i) the possibility of using them as offsets; (ii) their transferability to third-party purchasers; and (iii) their non-refundability by the Treasury. The accounting of tax credits purchased by a third party (the transferee of the tax credit) is not subject to a specific international accounting standard. IAS 8 requires that, in cases where there is a case not explicitly covered by an IAS/IFRS accounting standard, management should define an appropriate accounting policy to ensure relevant and reliable disclosure of such transactions. To this end, the Bank, taking into consideration the indications expressed by the Authorities in the document "Accounting treatment of tax credits related to the 'Cura Italia' and 'Relaunch' Law Decrees acquired following disposal by direct beneficiaries or previous purchasers", published on 5 January 2021 by the Coordination Table between the Bank of Italy, Consob and IVASS on the application of IAS/IFRS, has adopted an accounting policy that refers to the accounting rules set forth in IFRS 9, applying by analogy its provisions compatible with the characteristics of the transaction. The Bank classifies these loans as Other Assets:

- to a Hold to Collect business model, receivables are purchased within the limits of their tax capacity, with the objective of holding them and using them for future offsets. These receivables are recognised at amortised cost with pro-rata temporis remuneration reflected in the interest margin over the recovery period;
- to a business model Other receivables acquired for trading purposes, found in the case of purchases in excess of their tax capacity and the signing of related assignment agreements. These receivables are measured at fair value with an impact on the income statement. However, the average permanence of receivables in the portfolio is limited to the period strictly necessary for their subsequent sale.

Presentation in the financial statements and disclosures in periodic accounting reports.
Since purchased tax credits do not represent tax assets, government grants, intangible assets or financial assets under international accounting standards, the most appropriate classification for the purposes of presentation in the financial statements is the residual classification of 'other assets' in the balance sheet (asset item 120).
With regard to the presentation, in the income statement and/or statement of comprehensive income, of the income and expenses arising from the acquisition and utilisation of tax credits, this will reflect the management method adopted by the transferee (Hold to Collect, Hold to Collect and Sell, Other) as well as the nature of such income and expenses (interest, other valuation aspects such as impairment adjustments, gains/losses on disposal), in line with paragraphs 82 and 82A of IAS 1 'Presentation of Financial Statements'.

A.3 - Disclosure of transfers between portfolios of financial assets
A.3.1 Reclassified financial assets: change of business model, book value and interest assets (thousands)
As at 31/12/2024, there were no reclassified financial assets.

A.3.2 Reclassified financial assets: change of business model, fair value and effects on overall profitability (thousands)
As at 31/12/2024, there were no reclassified financial assets.

A.3.3. Reclassified financial assets: change of business model and effective interest rate
As at 31/12/2024, there were no reclassified financial assets.

A.4 - Fair Value Disclosure
IFRS 13 provides that assets and liabilities measured at fair value on a recurring basis are those for which IAS/IFRS require or permit fair value measurement in the financial statements. Assets and liabilities measured at fair value on a non-recurring basis, on the other hand are those for which IAS/IFRS require or permit fair value measurement in the financial statements in particular circumstances. In order to improve the transparency of fair value measurement disclosures in the financial statements, the IASB introduced the so-called fair value hierarchy.

A.4.1 Fair Value Levels 2 and 3: Valuation Techniques and Inputs Used
In December 2012, the European Commission endorsed the new standard IFRS 13 "Fair Value Measurement" with Regulation (EU) No. 1255/2012, effective from 1 January 2013. IFRS 13 defines fair value as: 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'. This is a definition of fair value that for financial instruments replaces the previous version in IAS 39. In the case of financial liabilities, the new definition of fair value in IFRS 13 therefore requires that the value that would be paid for the transfer of the liability (exit price) be identified as such, rather than as the value required to settle it (the definition in IAS 39). This results in a strengthening of the recognition of adjustments to the fair value of financial liabilities - other than derivative instruments - attributable to the issuer's creditworthiness (Own Credit Adjustment - OCA), compared to what is already regulated in this regard by IAS 39. In particular, with regard to the determination of the fair value of OTC derivatives on the assets side of the balance sheet, IFRS 13 confirmed the rule to apply the counterparty risk adjustment (Credit Valuation Adjustment - CVA). With regard to financial liabilities represented by OTC derivativesIFRS 13 introduces the so-called Debit Valuation Adjustment (DVA), i.e. a fair value adjustment to reflect its own default risk on such instruments, an issue not explicitly addressed by IAS 39. The fair value of investments listed in active markets is determined by reference to market prices as of the last reporting day of the financial year. In the case of financial instruments quoted in active markets, the determination fair value is based on quotations in the active market of reference, which may also be obtained from international providers and recorded on the last reference day of the financial year. A market is defined as active if the quotations reflect normal market transactions, are readily and regularly available, and express the price of actual and regular market transactions. Qualora the same financial instrument is listed on more than one market, the quotation to be considered is the one on the most advantageous market to which the company has access. In the case of unlisted financial instruments, fair value is determined by applying valuation techniques aimed at determining the price that the instrument would have had on the market at the valuation date in a free exchange motivated by normal commercial considerations. Fair value is determined through the following techniques: use of recent market transactions, reference to the price of financial instruments having

the same characteristics as the one being valued, quantitative methods. In particular, for unlisted bonds, discount models of expected future cash flows are applied, using interest rate structures that appropriately take into account the issuer's business sector and rating class, where available. In the case of mutual , which are not traded in active markets, fair value is determined on the basis of the published Net Asset Value, adjusted if necessary to into account possible changes in value occurring between the redemption request date and the actual redemption date. Equity not traded in an active market, for which the fair value cannot be reliably determined according to the most widely used methods, are valued at cost, adjusted for any significant decreases in value. For on-demand/off-demand loans and deposits, an immediate maturity of the contractual obligations was assumed to coincide with the balance sheet date, and therefore their fair value is approximated to the carrying value. Similarly, for short-term loans, the book value was assumed. For medium/long-term loans to customers, the fair value is obtained through valuation techniques by discounting the residual contractual flows at effective interest rates, appropriately adjusted to into account the creditworthiness of individual borrowers (represented by the probability of default and the estimated loss in the event of default). For impaired assets, the carrying value is considered an approximation of fair value. For medium- and long-term debt represented by securities measured at amortised cost and hedged for interest rate risk, the carrying value is adjusted to reflect the fair value attributable to the hedged risk by discounting the related cash flows. For derivative contracts traded on regulated markets, the fair value is assumed to be the market price on the last trading day of the financial year. Over-the-counter derivative contracts are valued on the basis of a variety of models, depending on the input factors affecting the relative valuation and taking into account adjustments for counterparty risk. The Bank does not calculate and recognise fair value adjustments to derivatives for CVA and DVA if collateralisation arrangements for derivative positions have been formalised and operational with the following characteristics:

- bilateral exchange of the guarantee at a high frequency (daily or midweek at the latest);
- type of collateral represented by cash or government securities of high liquidity and credit quality, subject appropriate prudential haircuts;
- absence of a threshold of the fair value of the derivative below which the exchange of collateral is not envisaged, or the setting of a level of such threshold that is adequate to permit effective and significant mitigation of counterparty risk;
- MTA - Minimum Transfer Amount (i.e. the difference between the fair value of the contract and the value of the collateral) - below which the collateralisation of positions is not adjusted, contractually identified at a level that allows for substantial mitigation of counterparty risk.

Hedging derivatives outstanding at the balance sheet date are all collateralised.

A.4.2 Processes and sensitivity of evaluations

As at 31 December 2024, there were no assets classified in level two of the fair hierarchy. Financial Assets are conventionally classified at level three of the Fair Value hierarchy, Financial Assets referring to equity securities "measured at cost" related instrumental equity interests, for which the fair value cannot be reliably or verifiably determined.

A.4.3 Fair Value Hierarchy

According to IFRS 13, the fair value hierarchy must be applied to all financial instruments for which fair value measurement is recognised in the balance sheet. For these instruments, the highest priority is given to official prices available in active markets and lower priority to the use of unobservable inputs, as these are more discretionary. Accordingly, fair value is determined through the use of prices obtained from the financial markets, in the case of instruments listed on active markets, or through the use, for other financial instruments, of valuation techniques aimed at estimating fair value. The levels used for the classifications reported in these notes are as follows:

• "Level 1": the fair value of financial instruments is determined on the basis of observable quoted prices in active (unadjusted) markets that can be accessed at the valuation date;

• "Level 2": the fair value of financial instruments is determined on the basis of quoted inputs that are directly observable or indirectly for the asset or liability, also using valuation techniques;

• "Level 3": the fair value of financial instruments is determined based on unobservable inputs for the asset or the liability, also using valuation techniques.

A quoted price in an active market provides the most reliable evidence of fair value and, when available, should be used without adjustment to measure fair value. In the absence of quoted prices in active markets, financial instruments must be classified in Level 2 or Level 3. Classification in Level 2 rather than in

Level 3 is determined on the basis of observability in the markets of the significant inputs used in the determination of fair value.

A.4.4 Other information

No other information is noted.

A.4.5 Fair Value Hierarchy

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value level.

Financial assets/liabilities measured at fair value	31/12/2024			31/12/2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets at fair value through profit or loss	91.634	0	135.828	83.941	0	98.203
(a) financial assets held for trading	91.634	0	422	83.941	0	618
(b) financial assets designated at fair value	0	0	0	0	0	0
(c) financial assets mandatorily measured at fair value	0	0	135.407	0	0	97.585
2. Financial assets measured at fair value with impact on profitability total	159.521	0	13.649	461.456	0	13.493
3. Hedging derivatives	0	0	0	0	0	0
4. Material activities	0	0	0	0	0	0
5. Intangible Assets	0	0	0	0	0	0
Total	**251.154**	**0**	**14G.477**	**545.3G7**	**0**	**111.6G6**
1. Financial liabilities held for trading	0	0	420	0	0	442
2. Financial liabilities measured at fair value	0	0	0	0	0	0
3. Hedging derivatives	0	0	0	0	0	0
Total	**0**	**0**	**420**	**0**	**0**	**442**

Legend:
Level 1= Fair value of a financial instrument listed in an active market;
Level 2= Fair value measured on the basis of valuation techniques using parameters observable on the market, other than the quotations of the financial instrument;
Level 3= Fair value calculated on the basis of valuation techniques using parameters that are not observable in the market.

Instruments measured at fair value level 3 mainly include financial assets that are mandatorily measured at fair value and amounted to €135.4 million as at 31 December 2024. The item is specifically composed of units of mutual funds, mainly NPL funds, and loans to customers on which the SPPI test was not passed.

A.4.5.2 Annual changes in assets measured at fair value on a recurring basis (level 3)

	Total	Financial assets measured at fair value with impact on profit and loss account			Financial assets measured at fair value with impact on profitability total	Hedging derivatives	Material activities	Intangible Assets
		of which: a) financial assets held for negotiation	of which: b) financial assets designated at fair value value	of which: c) financial assets mandatorily measured at fair value				
1. Initial Existence	**111.6G6**	**618**	**0**	**G7.585**	**13.4G3**	**0**	**0**	**0**
2. Increases								
2.1. Purchases	51.375	422	0	**50.G34**	20	0	0	0
2.2. Imputed profits a:	0			**0**			0	0
2.2.1. Profit and Loss Account	0	0	0	**0**	0	0	0	0
- of which capital gains	0	0	0	**0**	0	0	0	0
2.2.2. Net worth	202	X	X	X	202	0	0	0
2.3. Transfers from other levels	0	0	0	**0**	0	0	0	0
2.4. Other Increases	0	0	0	**0**	0	0	0	0
3. Decreases	0			**0**			0	0
3.1. Sales	9.590	618	0	**8.G71**	0	0	0	0
3.2. Refunds	0	0	0	**0**	0	0	0	0
3.3. Losses attributed to:	0			**0**			0	0
3.3.1. Profit and Loss Account	4.141	0	0	**4.141**	0	0	0	0
- of which capital losses	4.244	0	0	**4.244**	0	0	0	0
3.3.2. Net worth	66	X	X	X	66	0	0	0
3.4. Transfer to other levels	0	0	0	**0**	0	0	0	0
3.5. Other decreases	0	0	0	**0**	0	0	0	0
4. Closing inventories	**14G.477**	**422**	**0**	**135.407**	**13.64G**	**0**	0	0

A.4.5.3 Annual changes in liabilities measured at fair value on a recurring basis (Level 3)

	Financial liabilities held for negotiation	Financial liabilities designated at fair value	Derivatives of coverage
1. Initial Existence	**442**	**0**	**0**
2. Increases			
2.1. Emissions	422	0	0
2.2. Losses attributed to:			
2.2.1. Profit and Loss Account	0	0	0
- of which capital losses	0	0	0
2.2.2. Net worth	X	X	0
2.3. Transfers from other levels	0	0	0
2.4. Other Increases	0	0	0
3. Decreases			
3.1. Refunds	442	0	0
3.2. Buybacks	0	0	0
3.3. Losses attributed to:			
3.3.1. Profit and Loss Account	1	0	0
- of which capital gains	1	0	0
3.3.2. Net worth	X	X	0
3.4. Transfer to other levels	0	0	0
3.5. Other decreases	0	0	0
4. Closing inventories	**420**	**0**	**0**

A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value level

Assets/liabilities not measured at fair value or measured at fair value on a non-recurring basis	31/12/2024				31/12/2023			
	VB	L1	L2	L3	VB	L1	L2	L3
1. Financial assets measured at amortised cost	3.578.086	619.623	0	2.958.462	3.501.781	386.499	0	3.115.282
2. Tangible assets held for investment purposes	0	0	0	0	3.501.781	386.499	0	3.115.282
3. Non-current assets and disposal groups held for sale	0	0	0	0	0	0	0	0
Total	**3.578.086**	**61G.623**	**0**	**2.G58.462**	**3.501.781**	**386.4GG**	**0**	**3.115.282**
1. Financial liabilities measured at amortised cost	3.997.334	0	0	3.997.334	4.418.593	0	0	4.418.593
2. Liabilities associated with discontinued operations	0	0	0	0	0	0	0	0
Total	**3.GG7,334**	**0**	**0**	**3.GG7,334**	**4.418.5G3**	**0**	**0**	**4.418.5G3**

Key: VB= Book value - L1= Level 1 - L2= Level 2 - L3= Level 3

A.5 - So-called 'day one profit/loss' disclosure

The Bank does not present transactions for which, at time of initial recognition of financial instruments not listed on active markets, this "day one profit/loss" component was recognised. Consequently, the disclosures required by IFRS 7, para. 28 are not provided.

PART B - Balance Sheet Information

ACTIVE

Section 1 - Cash and cash equivalents - Item 10

1.1 Cash and cash equivalents: composition

Entries	31/12/2024	31/12/2023	Variaz.	Change %
(a) Cash	15.241	15.516	-275	-1,77%
(b) Current accounts and sight deposits with central banks	78.000	278.062	-200.062	
c) Current accounts and sight deposits with banks	37.895	47.489	-9.594	-20,20%
Total	**131.136**	**341.067**	**-20G.G31**	**-61,55%**

Notes:
Unrestricted deposits with central banks do not include the Mandatory Reserve, which is shown asset item 40(a) "Financial assets measured at amortised cost (a) loans to banks".

Section 2 - Financial assets at fair value through profit or loss - Item 20

2.1 Financial assets held for trading: composition by type

Items/values	31/12/2024			31/12/2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. Cash assets						
1 Debt Securities	86.043	0	0	83.941	0	0
1.1 Structured Securities	0	0	0	385	0	0
1.2 Other Debt Securities	86.043	0	0	83.557	0	0
2 Capital Securities	5.027	0	0	0	0	0
3 Quote of O.I.C.R.	564	0	0	0	0	0
4 Financing	0	0	0	0	0	0
4.1 Repos	0	0	0	0	0	0
4.2 Others	0	0	0	0	0	0
Total A	**G1.634**	**0**	**0**	**83.G41**	**0**	**0**
B. Derivative Instruments						
1 Financial derivatives:	0	0	422	0	0	618
1.1 trading	0	0	422	0	0	618
1.2 related to the fair value option	0	0	0	0	0	0
1.3 Others	0	0	0	0	0	0
2 Credit derivatives	0	0	0	0	0	0
2.1 trading	0	0	0	0	0	0
2.2 related to the fair value option	0	0	0	0	0	0
2.3 Others	0	0	0	0	0	0
Total B	**0**	**0**	**422**	**0**	**0**	**618**
Total (A+B)	**G1.634**	**0**	**422**	**83.G41**	**0**	**618**

2.2 Financial assets held for trading: composition by debtors/issuers/counterparties

Items/values	31/12/2024	31/12/2023	Variaz.	Change %
A. CASH ASSETS				
1. Debt Securities	**86.043**	**83.G41**	**2.102**	**2,50%**
(a) Central Banks	0	0	0	0,00%
b) Public administrations	67.217	60.136	7.081	11,77%
(c) Banks	13.312	19.198	-5.886	-30,66%
d) Other financial companies	2.488	1.833	656	35,78%
of which: insurance companies	1.039	203	837	412,47%
e) Non-financial companies	3.026	2.775	250	9,02%
2 Capital Securities	**5.027**	**0**	**G43**	**0,00%**
(a) Banks	456	0	456	0,00%
b) Other financial companies	943	0	943	0,00%

Items/values	31/12/2024	31/12/2023	Variaz.	Change %
of which: insurance companies	607	0	607	0,00%
c) Non-financial companies	3.628	0	3.628	0,00%
d) Other issuers	0	0	0	0,00%
3 Quote of O.i.c.r.	**564**	**0**	**564**	**0,00%**
4 Financing	0	0	0	0,00%
(a) Central Banks	0	0	0	0,00%
b) Public administrations	0	0	0	0,00%
(c) Banks	0	0	0	0,00%
d) Other financial companies	0	0	0	0,00%
of which: insurance companies	0	0	0	0,00%
e) Non-financial companies	0	0	0	0,00%
f) Families	0	0	0	0,00%
Total (A)	**G1.634**	**83.G41**	**7.6G2**	**G,16%**
B DERIVATIVE INSTRUMENTS				
a) Central Counterparts	0	0	0	0,00%
b) Others	422	618	-197	-31,83%
Total (B)	422	618	-197	-31,83%
Total (A+B)	**G2.055**	**84.560**	**7.4G5**	**8,86%**

2.5 Financial assets mandatorily measured at fair value: product breakdown

Items/values	31/12/2024			31/12/2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1 Debt Securities	0	0	3.426	0	0	3.651
1.1 Structured Securities	0	0	0	0	0	0
1.2 Other Debt Securities	0	0	3.426	0	0	3.651
2 Capital Securities	0	0	0	0	0	0
3 Quote of O.I.C.R.	0	0	36.402	0	0	25.722
4 Financing	0	0	95.579	0	0	68.212
4.1 Repos	0	0	0	0	0	0
4.2 Others	0	0	95.579	0	0	68.212
Total	0	0	135.407	0	0	97.585

2.6 Financial assets mandatorily measured at fair value: breakdown by debtor/issuer

Items/values	31/12/2024	31/12/2023
1 Capital Securities	**0**	**0**
of which: Banks	0	0
of which: Other financial companies	0	0
of which: Other non-financial companies	0	0
2. Debt Securities	**3.426**	**3.651**
(a) Central Banks	0	0
b) Public administrations	0	0
(c) Banks	1.051	1.002
d) Other financial companies	282	0
of which: insurance companies	0	0
e) Non-financial companies	2.093	2.649
3 Quote of O.i.c.r.	**36.402**	**25.722**
2 Financing	**G5.57G**	**68.212**
(a) Central Banks	0	0
b) Public administrations	0	0
(c) Banks	0	0

Items/values	31/12/2024	31/12/2023
d) Other financial companies	1.030	1.008
of which: insurance companies	1.030	1.008
e) Non-financial companies	93.078	66.000
f) Families	1.470	1.204
Total	**135.407**	**G7.585**

Section 3 - Financial assets at fair value through profit or loss - Item 30

3.1 Financial assets measured at fair value with impact on comprehensive income: breakdown commodity

Items/values	Total 31/12/2024			Total 31/12/2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt Securities	158.765	0	0	460.627	0	0
1.1 Structured Securities	0	0	0	0	0	0
1.2 Other Debt Securities	158.765	0	0	460.627	0	0
2. Equity Securities	756	0	13.649	829	0	13.493
3. Financing	0	0	0	0	0	0
Total	**15G.521**	**0**	**13.64G**	**461.456**	**0**	**13.4G3**

3.2 Financial assets measured at fair value with impact on comprehensive income: breakdown by debtors/issuers

Items/values	Total 31/12/2024	Total 31/12/2023	Variaz.	Change %
1. Debt Securities	**158.765**	**460.627**	**-301.862**	**-65,53%**
(a) Central Banks	0	0	0	0,00%
b) Public administrations	153.961	453.461	-299.501	-66,05%
(c) Banks	4.804	7.165	-2.361	-32,95%
d) Other financial companies	0	0	0	0,00%
of which: insurance companies	0	0	0	0,00%
e) Non-financial companies	0	0	0	0,00%
			0	0,00%
2. Equity Securities	**14.405**	**14.322**	83	0,58%
(a) Banks	7.500	7.500	0	0,00%
(b) Other issuers:	6.905	6.822	83	1,21%
- other financial companies	486	502	0	0,00%
of which: insurance companies	0	0	0	0,00%
- non-financial companies	6.419	6.320	99	1,57%
- others	0	0	0	0,00%
3. Financing	**0**	**0**	0	0,00%
(a) Central Banks	0	0	0	0,00%
b) Public administrations	0	0	0	0,00%
(c) Banks	0	0	0	0,00%
d) Other financial companies	0	0	0	0,00%
of which: insurance companies	0	0	0	0,00%
e) Non-financial companies	0	0	0	0,00%
f) Families	0	0	0	0,00%
Total	**173.170**	**474.G4G**	**-301.77G**	-63,54%

3.3 Financial Assets Valued at Fair Value with Impact on Comprehensive Income: Gross Value and Total Value Adjustments

	Gross value					Total value adjustments				Overall partial write-offs
	First stage	of which: Instruments with low risk of credit	Second stage	Third stage	of which: Impaired acquired or originated	First stage	Second stage	Third stage	of which: Impaired acquired or originated	
Debt Securities	158.805	158.805	0	0	0	40	0	0	0	0
Financing	0	0	0	0	0	0	0	0	0	0
Total 31/12/2024	158.805	158.805	0	0	0	40	0	0	0	0
Total 31/12/2023	458.397	458.397	2.497	0	0	261	6	0	0	0

Section 4 - Financial assets measured at amortised cost - Item 40

4.1 Financial assets measured at amortised cost: breakdown of receivables from banks

Type of transaction / Values	Total 31/12/2024						Total 31/12/2023					
	Balance sheet value			Fair value			Balance sheet value			Fair value		
	First and second stages	Third stage	of which: impaired acquired or originate	Level 1	Level 2	Level 3	First and second stages	Third stage	of which: impaired acquired or originate	Level 1	Level 2	Level 3
A. Loans and advances to banks Power stations	28.094	0	0	0	0	28.094	29.508	0	0	0	0	29.508
1. Maturity Deposits	0	0	0	X	X	X	0			X	X	X
2. Reserve requirements	28.094	0	0	X	X	X	29.508			X	X	X
3. Repos	0	0	0	X	X	X	0			X	X	X
4. Others	0	0	0	X	X	X	0			X	X	X
B. Due from banks	122.917	0	0	2.737	0	120.180	53.770			3.683	0	50.087
1. Financing	120.180	0	0	0	0	120.180	50.087			0	0	50.087
Current accounts	0	0	0	X	X	X	0			X	X	X
1.2. Maturity Deposits	50.073	0	0	X	X	X	50.087			X	X	X
1.3. Other Financing:	70.107	0	0	X	X	X	0			X	X	X
- Repos assets	70.107	0	0	X	X	X	0			X	X	X
- Financing for leasing	0	0	0	X	X	X	0			X	X	X
- Others	0	0	0	X	X	X	0			X	X	X
2. Debt Securities	2.737	0	0	2.737	0	0	3.683			3.683	0	0
2.1 Structured Securities	0	0	0	0	0	0	0			0	0	0
2.2 Other Debt Securities	2.737	0	0	2.737	0	0	3.683			3.683	0	0
Total	**151.012**	**0**	**0**	**2.737**	**0**	**148.275**	**83.277**	**0**	**0**	**3.683**	**0**	**7G.5G5**

4.2 Financial assets measured at amortised cost: breakdown of receivables from customers

Type of transactions/values	Total 31/12/2024							Total 31/12/2023						
	Balance sheet value				Fair value			Balance sheet value				Fair value		
	First and second stages	Third stage	impaired acquired or originated	Total	Level 1	Level 2	Level 3	First and second stages	Third stage	of which: impaired acquired or originated	Total	Level 1	Level 2	Level 3
1. Financing	**2.6G3.8G0**	**113.54G**	**2.74G**	2.810.188	**-**	**-**	**2.768.445**	**2.8G1.277**	**140.556**	**3.854**	**3.035.687**	**-**	**-**	**3.002.322.G6G**
Accounts currents	579.127	13.482	985	593.594	X	X	X	603.103	14.396	1.316	618.814	X	X	X
1.2. Repurchase agreements	-	-	-	-	X	X	X	-	-	-	-	X	X	X
1.3. Mortgages	1.332.685	55.738	452	1.388.874	X	X	X	1.415.113	73.782	469	1.489.364	X	X	X
1.4. Credit cards, personal loans and credit transfers fifth	17.601	272	33	17.907	X	X	X	15.825	443	1	16.269	X	X	X

Type of transactions/values	Total 31/12/2024							Total 31/12/2023						
	Balance sheet value				Fair value			Balance sheet value				Fair value		
	First and second stages	Third stage	impaired acquired or originated	Total	Level 1	Level 2	Level 3	First and second stages	Third stage	of which: impaired acquired or originated	Total	Level 1	Level 2	Level 3
1.5. Lease financing	-	-	-	-	X	X	X	-	-	-	-	X	X	X
1.6. Factoring	-	-	-	-	X	X	X	-	-	-	-	X	X	X
1.7. Other financing	764.477	44.056	1.279	809.813	X	X	X	857.237	51.936	2.068	911.241	X	X	X
2. Debt Securities	**616.886**	**-**	**-**	**616.886**	**5G1.061**	**-**	**-**	**382.816**	**-**	**-**	**382.816**	**352.713**	**-**	**-**
2.1 Titles structured	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other titles of debt	616.886	-	-	616.886	591.061	-	-	382.816	-	-	382.816	352.713	-	-
Total (book value)	**3.310.776**	**113.54G**	**2.74G**	**3.427.074**	**5G1.061**	**-**	**2.768.445**	**3.274.0G3**	**140.556**	**3.854**	**3.418.504**	**352.713**	**-**	**3.002.323**

4.3 Financial assets measured at amortised cost: composition by debtor/issuer of receivables from customers

Type of transaction/Values	Total 31/12/2024			Total 31/12/2023		
	First and second stages	Third stage	Impaired acquired or originate	First and second stages	Third stage	Impaired acquired or originate
1. Debt Securities	**616.886**	**0**	**0**	**382.816**	**0**	**0**
a) Administrations public	616.886	0	0	382.816	0	0
b) Other financial companies	0	0	0	0	0	0
of which: companies of insurance	0	0	0	0	0	0
c) Non-financial companies	0	0	0	0	0	0
2. Loans to:	**2.6G3.8G0**	**113.54G**	**2.74G**	**2.8G1.277**	**140.556**	**3.854**
a) Administrations public	1.414	0	0	857	0	0
b) Other financial companies	332.482	1.796	0	354.181	1.332	0
of which: companies of insurance	25.941	0	0	9.199	0	0
c) Non-financial companies	1.123.767	77.423	2.186	1.259.818	94.390	3.268
d) Families	1.236.227	34.330	563	1.276.420	44.834	586
Total	**3.310.776**	**113.54G**	**2.74G**	**3.274.0G3**	**140.556**	**3.854**

4.4 Financial Assets Valued at Amortised Cost: Gross Value and Total Value Adjustments

	Gross value					Total value adjustments				Overall partial write-offs
	First stage	of which: Instruments with low risk of credit	Second stage	Third stage	Impaired acquired or originated	First stage	Second stage	Third stage	Impaired acquired or originated	
Debt Securities	617.787	619.823	2.035	0	0	190	9	0	0	0
Financing	2.573.492	2.544.998	285.053	201.951	4.788	7.580	8.801	88.403	2.039	1.200
Total 31/12/2024	**3.1G1.27G**	**3.164.820**	**287.088**	**201.G51**	**4.788**	**7.770**	**8.810**	**88.403**	**2.03G**	**1.200**
Total 31/12/2023	**3.067.783**	**3.071.522**	**306.233**	**231.GGG**	**5.24G**	**7.G71**	**8.675**	**G1.443**	**1.3G5**	**0**

Note: The item loans includes exposures subject to Covid-19 support measures, in the form of 'New loans', totalling€ 315.95 mln, of which€ 294.19 mln in performing status and€ 21.76 mln in non-performing status. Total value adjustments amounted to € 4.58 mln, of which € 3.86 mln on non-performing positions.

Section 7 - Participating interests - Item 70

7.1 Investments in subsidiaries, joint ventures or companies subject to significant influence: information on participatory relationships

Designations	Registered office	Operational Headquarters	Q Participation fee %	Availability votes %
A. Exclusively controlled undertakings				
1. Cambiano Leasing s.p.a.	Empoli	Empoli	95,00%	95,00%
2. Immobiliare 1884 s.r.l.	Florence	Empoli	100,00%	100,00%
B. Jointly controlled undertakings				
C. Companies under significant influence				
1. C. H. s.p.a. (1)	Empoli	Empoli	49,60%	29,60%
2. Cabel Industry s.p.a. (2)	Empoli	Empoli	8,04%	8,04%

Notes:

(1) During the course of 2019, the Bank transferred 20% of the shares held in C.H. S.p.a. in usufruct to a Trust. The cost, book value and shareholding percentage remained unchanged while the number of shares (for the purpose of the voting percentage exercisable at the Shareholders' Meeting) decreased from 49.60% to 29.60%. On 24/07/2024, the term the aforementioned usufruct right expired and, in the absence of its renewal, pursuant to art. 12 of the regulation, the Trust ceased to exist as of 25 July 2024.

7.2 Significant holdings: book value, fair value and dividends received

Designations	Balance sheet value	Fair value	Dividends perceived
A. Exclusively controlled undertakings	**32.23G**	**32.23G**	**0**
1. Cambiano Leasing s.p.a.	18.739	18.739	0
2. Immobiliare 1884 s.r.l.	13.500	13.500	0
B. Jointly controlled undertakings	**0**	**0**	**0**
C. Companies under significant influence	**16.375**	**16.375**	**0**
1. C. H. s.p.a.	14.818	14.818	0
2. Cabel Industry s.p.a.	1.558	1.558	0
Totals	**48.615**	**48.615**	**0**

Notes:

The fair value of participations under significant influence corresponds to the book value as none of these companies are listed.

7.3 Significant shareholdings: accounting information

Designations	Case and availability liquid	Financial assets	Non-financial assets	Financial liabilities	Liabilities not financial	Total Revenues	Interest margin
A. Subsidiaries via exclusive	**1G5**	**301.482**	**33.202**	**286.787**	**G.432**	**1G.G0G**	**5.234**
1. Cambiano Leasing s.p.a.	177	298.646	5.017	269.708	9.026	19.238	5.306
2. Immobiliare 1884 s.r.l.	18	2.836	28.185	17.080	406	671	-72
B. Subsidiaries in joint mode	**0**	**0**	**0**	**0**	**0**	**0**	**0**
C. Companies subject to considerable influence	x	**14.3G1**	**83.720**	**0**	**32.G12**	**34.478**	**0**
1. C. H. s.p.a.	x	14.346	28.644	0	682	1.148	x
2. Cabel Industry s.p.a.	x	45	55.076	0	32.230	33.329	x
Totals	**1G5**	**315.873**	**116.G22**	**286.787**	**42.344**	**54.387**	**5.234**

Designations	Write-downs and write-ups on tangible assets and immat.	Profit (loss) from current operations before tax	Profit (loss) from current operations after tax	Profit (loss) disposal groups held for sale net of taxes	Profit (loss) the year (1)	Other income components after tax (2)	Overall profitability (3)= (1)+ (2)
A. Subsidiaries via exclusive	**517**	**2.010**	**1.2G8**	**0**	**1.2G8**	**0**	**1.2G8**
1. Cambiano Leasing s.p.a.	134	2.097	1.398	0	1.398	0	1.398
2. Immobiliare 1884 s.r.l.	382	-87	-100	0	-100	0	-100
B. Subsidiary undertakings joint	**0**	**0**	**0**	**0**	**0**	**0**	**0**
C. Companies subject to influence remarkable	**0**	**3.088**	**2.0G5**	**0**	**2.0G5**	**0**	**2.0G5**

Designations	Write-downs and write-ups on tangible assets and immat.	Profit (loss) from current operations before tax	Profit (loss) from current operations after tax	Profit (loss) disposal groups held for sale net of taxes	Profit (loss) the year (1)	Other income components after tax (2)	Overall profitability (3)= (1)+ (2)
1. C. H. s.p.a.	x	174	115	0	115	0	115
2. Cabel Industry s.p.a.	x	2.914	1.980	0	1.980	0	1.980
Totals	**517**	**5.0G8**	**3.3G3**	**0**	**3.3G3**	**0**	**3.3G3**

Notes:
The above companies perform instrumental activities and services auxiliary to the Bank's business. With reference to the wholly-owned subsidiaries, the values shown in this table refer to the year 2024, while for the companies subject to influence, the figures refer to 30 September 2024.

The balance sheet value was determined according to the following scheme:

Designations	Share Capital	Q Participation fee %	Purchases/Sales	Dividends received	Book value as at cost
1. Cambiano Leasing s.p.a.	10.000	52,00%	0	0	18.739
2. Immobiliare 1884 s.r.l.	13.500	100,00%	0	0	13.500
Totals	**23.500**		**0**	**0**	**32.23G**

Designations	Net assets	Q Participation fee %	Purchases/Sales	Dividends received	Balance sheet value at NP
1. C. H. s.p.a.	29.874	49,60%	0	0	14.818
2. Cabel Industry s.p.a.	19.369	8,04%	0	0	1.558
Totals	**4G.243**		**0**	**0**	**16.375**

The shareholders' equity shown in the table - with reference to C.H. S.p.A. and Cabel Industry S.p.A. - differs from the actual shareholders' equity of the respective companies in that it has been adjusted to international accounting standards (IAS/IFRS); in consideration of the loss recorded by C.H. S.p.A. at the end of 2024 financial year, a valuation of the same was carried out with the help of an independent expert, which showed that the losses recorded by the company were attributable to extraordinary and non-repeatable events, and therefore did not constitute an element of impairment.
In addition, with regard to the net equity value used the valuation of C.H. S.p.A., the same does not include the revaluation ex lege of the real estate carried out by the investee company for civil law purposes in previous years and consequently is not affected by the adjustment of these fixed assets made to the financial statements as of 31.12.2024 by C.H. S.p.A.

7.5 Equity investments: annual changes

Entries	Total 31/12/2024	Total 31/12/2023
A. Initial Existence	**48.172**	**4G.716**
B. Increases	**442**	**410**
B.1 Purchases	0	266
B.2 Write-backs	0	0
B.3 Revaluations	442	144
B.4 Other Changes	0	0
C. Decreases	**0**	**1.G53**
C.1 Sales	0	1.429
C.2 Value Adjustments	0	0
C.3 Write-downs	0	395
C.4 Other Changes	0	128
D. Closing inventories	**48.615**	**48.172**
E. Total revaluations	**15.107**	**14.665**
F. Total Adjustments	**0**	**0**

Notes:
Line B.3 "Revaluations" includes the revaluation of the company Cabel Industry s.p.a. for a total of€ 194 thousand and of the company C.H. S.p.A. for a total of € 248 thousand to adjust the value to the portion of shareholders' equity held by the Bank.
Line B.3 "Revaluations" includes the revaluation of the company Cabel Industry s.p.a. for a total of€ 194 thousand and company C.H. S.p.A. for a total of € 248 thousand

7.7 Equity Investments: Commitments Relating to Investments in Companies Under Significant Influence

There are no commitments that could generate contingent liabilities arising from any joint and several liability.

7.8 Participations: Restrictions

There are no significant restrictions on investments in companies subject to significant influence.

Section 8 - Tangible Assets - Item 80

8.1 Functional Property, Plant and Equipment: Composition of Assets Valued at Cost

Activities/values	Total 31/12/2024	Total 31/12/2023
1. Ownership activities	**48.G58**	**50.517**
(a) land	9.353	9.353
(b) buildings	25.423	26.956
(c) furniture	10.653	10.542
(d) electronic equipment	796	935
(e) other	2.733	2.731
2. Rights of use acquired by leasing	**15.142**	**11.85G**
(a) land	0	0
(b) buildings	15.104	11.784
(c) furniture	0	0
(d) electronic equipment	0	0
(e) other	38	75
Total	**64.100**	**62.376**
of which: obtained through the enforcement of guarantees received	*0*	*0*

Notes:
All of the Bank's tangible assets are valued at cost; the line 'land' shows the value of land subject to separation from the value of the buildings.
Sub-item 2. includes rights use acquired under leases following entry into force of the new accounting standard IFRS 16 as of 1.1.2019.

8.6 Tangible Assets for Functional Use: Annual Changes

Entries	Land	Buildings	Furniture	Electronic installations	More	Total 31/12/2024
A. Gross opening balance	**G.353**	**6G.G24**	**17.065**	**3.067**	**15.744**	**115.153**
A.1 Total Net Impairments	0	31.184	6.524	2.132	12.937	52.777
A.2 Net opening balances	**G.353**	**38.740**	**10.542**	**G35**	**2.806**	**62.376**
A.4 Net Existence	**G.353**	**38.740**	**10.542**	**G35**	**2.806**	**62.376**
B. Increases:	**0**	**G.001**	**6G2**	**326**	**G21**	**10.G40**
B.1 Purchases	0	8.782	566	234	822	10.404
B.2 Capitalised Improvement Expenses	0	185	0	0	0	185
B.3 Write-backs	0	0	0	0	0	0
B.4 Positive changes in fair value imputed to:	**0**	**0**	**0**	**0**	**0**	**0**
(a) net assets	0	0	0	0	0	0
(b) profit and loss account	0	0	0	0	0	0
B.5 Exchange rate gains	0	0	0	0	0	0
B.6 Transfers from real estate held for investment purposes	0	0	X	X	X	0
B.7 Other changes	0	35	126	92	100	352
C. Decreases:	**0**	**7.214**	**580**	**465**	**G57**	**G.217**
C.1 Sales	0	456	145	92	108	801
C.2 Depreciation	0	3.510	436	373	849	5.168
C.3 Impairment adjustments charged to:	**0**	**0**	**0**	**0**	**0**	**0**
(a) net assets	0	0	0	0	0	0
(b) profit and loss account	0	0	0	0	0	0
C.4 Negative Changes in Fair Value imputed to:	**0**	**0**	**0**	**0**	**0**	**0**
(a) net assets	0	0	0	0	0	0
(b) profit and loss account	0	0	0	0	0	0

Entries	Land	Buildings	Furniture	Electronic installations	More	Total 31/12/2024
C.5 Negative Exchange Differences	0	0	0	0	0	0
C.6 Transfers a:	**0**	**0**	**0**	**0**	**0**	**0**
(a) tangible assets held for the purpose of investment	0	0	0	0	0	0
b) non-current assets and groups of discontinued operations	0	0	X	X	X	0
C.7 Other Changes	0	3.248	0	0	100	3.348
D. Net closing balance	**G.353**	**40.527**	**10.653**	**7G6**	**2.770**	**64.100**
D.1 Total Net Impairments	0	34.659	6.834	2.413	13.687	57.593
D.2 Gross closing balance	**G.353**	**75.186**	**17.487**	**3.20G**	**16.457**	**121.6G3**
E. Valuation at cost	**0**	**0**	**0**	**0**	**0**	**0**

Notes:
Item B.1 'Purchases' includes contract renewals of assets acquired under leases. These amounts are detailed in table B 8.6 bis.

Depreciation has been calculated pro rata using the following rates:

Type	Rate
- Land	0,00%
- Buildings	3,00%
- Works Art	0,00%
- Furniture and various furnishings	12,00%
- AED plant, machinery and equipment	20,00%
- Plant, machinery and technical equipment	15,00%
- Cars	20,00%
- Rights of Use	Depending on the duration of the contract

8.6a Of which - Property, plant and equipment held for operational use - Leasehold rights: annual changes

Entries	Land	Buildings	Furniture	Installations electronic	More	Total 31/12/2024
A. Gross opening balance	**0**	**23.412**	**0**	**0**	**223**	**23.635**
A.1 Total Net Impairments	0	11.628	0	0	148	11.776
A.2 Net opening balances	**0**	**11.784**	**0**	**0**	**75**	**11.85G**
A.4 Net Existence	**0**	**11.784**	**0**	**0**	**75**	**11.85G**
B. Increases:	**0**	**8.782**	**0**	**0**	**0**	**8.782**
B.1 Purchases	0	8.782	0	0	0	8.782
B.2 Capitalised Improvement Expenses	0	0	0	0	0	0
B.3 Write-backs	0	0	0	0	0	0
B.4 Positive changes in fair value charged to:	**0**	**0**	**0**	**0**	**0**	**0**
(a) net assets	0	0	0	0	0	0
(b) profit and loss account	0	0	0	0	0	0
B.5 Exchange rate gains	0	0	0	0	0	0
B.6 Transfers from real estate held for investment purposes	0	0	X	X	X	0
B.7 Other changes	0	0	0	0	0	0
C. Decreases:	**0**	**5.462**	**0**	**0**	**38**	**5.4GG**
C.1 Sales	0	0	0	0	0	0
C.2 Depreciation	0	2.214	0	0	38	2.251
C.3 Impairment adjustments charged to:	**0**	**0**	**0**	**0**	**0**	**0**
(a) net assets	0	0	0	0	0	0
(b) profit and loss account	0	0	0	0	0	0
C.4 Negative changes in fair value charged to:	**0**	**0**	**0**	**0**	**0**	**0**
(a) net assets	0	0	0	0	0	0
(b) profit and loss account	0	0	0	0	0	0
C.5 Negative Exchange Differences	0	0	0	0	0	0
C.6 Transfers a:	**0**	**0**	**0**	**0**	**0**	**0**
(a) tangible assets held for investment purposes	0	0	X	X	X	0
b) non-current assets and groups assets held for sale	0	0	0	0	0	0
C.7 Other Changes	0	3.248	0	0	0	3.248
D. Net closing balance	**0**	**15.104**	**0**	**0**	**38**	**15.142**

Entries	Land	Buildings	Furnitur e	Installatio ns electronic	More	Total 31/12/2024
D.1 Total Net Impairments	0	13.842	0	0	185	14.027
D.2 Gross closing balance	**0**	**28.G46**	**0**	**0**	**223**	**2G.16G**
E. Valuation at cost	**0**	**0**	**0**	**0**	**0**	**0**

Section G - Intangible Assets - Item G0

G.1 Intangible Assets: Breakdown by Type of Asset

Activities/values	Total 31/12/2024		Total 31/12/2023	
	Duration defined	Duration indefinite	Duration defined	Duration indefinite
A.1 Start-up	X	0	X	0
A.2 Other Intangible Assets	**5.0G0**	**0**	**4.852**	**0**
Of which: software	*4.43C*	*0*	*3.732*	*0*
A.2.1 Assets measured at cost:	4.436	0	3.732	0
a) Internally Generated Intangible Assets	0	0	0	0
b) Other activities	4.436	0	3.732	0
A.2.2 Assets measured at fair value:	654	0	1.120	0
a) Internally Generated Intangible Assets	0	0	0	0
b) Other activities	654	0	1.120	0
Total	**5.0G0**	**0**	**4.852**	**0**

Notes:

The intangible asset measured at fair value, generated as part of the BCC for Web business combination transaction completed in 2023, relates to the valuation of the customer relationships ("Client Relationships") present in the acquired business unit and which emerged during the PPA pursuant to IFRS 3. These , represented by managed and administered deposits and current account overdrafts, were amortised according to their useful life, estimated at 3 years.

The Bank's other intangible assets are valued at cost.

G.2 Intangible assets: annual changes

Entries	Start-up	Other intangible assets: internally generated		Other intangible assets: other		Total 31/12/2024
		with a defined duration	of indefinite duration	with a defined duration	of indefinite duration	
A. Gross opening balance	**0**	**0**	**0**	**14.458**	**0**	**14.458**
A.1 Total Net Impairments	0	0	0	9.606	0	9.606
A.2 Net opening balances	**0**	**0**	**0**	**4.852**	**0**	**4.852**
B. Increases						
B.1 Purchases	0	0	0	2.710	0	2.710
B.2 Increases in intangible assets interior	X	0	0	0	0	0
B.3 Write-backs	X	0	0	0	0	0
B.4 Positive changes in fair value						
- to equity	X	0	0	0	0	0
- to profit and loss account	X	0	0	0	0	0
B.5 Positive exchange differences	0	0	0	0	0	0
B.6 Other changes	0	0	0	0	0	0
C. Decreases						
C.1 Sales	0	0	0	0	0	0
C.2 Value Adjustments						
- Amortisation	X	0	0	2.472	0	2.472
- Write-downs						
+ net worth	X	0	0	0	0	0
+ profit and loss account	0,00	0	0	0	0	0
C.3 Negative changes in fair value						
- to equity	X	0	0	0	0	0

Entries	Start-up	Other intangible assets: internally generated		Other intangible assets: other		Total 31/12/2024
		with a defined duration	of indefinite duration	with a defined duration	of indefinite duration	
- to profit and loss account	X	0	0	0	0	0
C.4 Transfers to non-current assets held for sale	0	0	0	0	0	0
C.5 Negative Exchange Differences	0	0	0	0	0	0
C.6 Other Changes	0	0	0	0	0	0
D. Net closing balance	**0,00**	**0**	**0**	**5.0G0**	**0**	**5.0G0**
D.1 Total net value adjustments	0	0	0	12.078	0	12.078
E. Gross closing balance	**0**	**0**	**0**	**17.168**	**0**	**17.168**
F. Valuation at cost	0	0	0	0	0	0

Notes:
Other intangible assets consist of goodwill and corporate software expenses.

Section 10 - Tax Assets and Tax Liabilities - Item 100 of Assets and Item 60 of Liabilities

Probabily test on deferred taxation

With reference to the probability test on deferred taxation, please refer to Part B - Assets of the Consolidated Notes to the Financial Statements.

10.1 Deferred tax assets: composition

Items/Values	Total 31/12/2024	Total 31/12/2023
1. Multi-year costs	85	34
2. Personnel-related charges	292	287
3. Credits	6.847	10.627
4. Representation expenses	0	0
5. Financial Instruments (HTCS Securities)	1.278	4.174
6. Tax losses	2.301	547
7. Start-up	1.234	1.364
8. Other	10	0
Total	**12.047**	**17.033**

Notes:
The line 'Financial Instruments' shows the tax assets relating to financial instruments classified in the portfolio of financial assets measured at fair value with an impact on comprehensive income.
The line "Tax losses" recognised as at 31 December 2024 includes the recognised portion of the tax asset calculated on tax losses as well as the deferred tax assets accrued as at 31 December 2019 by Invest Banca, acquired in the merger transaction, and the tax asset calculated on the tax losses recognised in the year by the Bank.

Details deferred tax assets item 3. Deferred tax assets in the table above:

Items/Values	Total 31/12/2024	Total 31/12/2023
1. IRAP due in 2024	0	530
2. IRES due in 2024	0	3.473
3. IRAP due in 2025	324	324
4. IRES due in 2025	2.122	2.122
5. IRAP due in 2026	138	227
6. IRES due in 2026	907	1.485
11. Irap on IFRS9 FTA adjustments due 2028	416	416
12. IRES on adjustments from FTA IFRS9 due 2028	2.052	2.052
Total	**5.G58**	**10.627**

10.2 Deferred tax : composition

Items/Values	Total 31/12/2024	Total 31/12/2023
1. Tangible fixed assets	0	0
2. Personnel-related charges	0	0

Items/Values	Total 31/12/2024	Total 31/12/2023
3. Former provision for credit risks	0	0
4. Participations	31	16
5. Financial Instruments (HTCS Securities)	0	0
6. Start-up	0	0
7. Other	0	14
Total	**31**	**30**

Notes:
The line "Participations" shows the tax liability related to participations calculated at the IRES rate (27.50%) on 5.00% of the total capital gain (EUR 2,285,000).

10.3 Changes in deferred tax assets (with contra-entry to the income statement)

Entries	Total 31/12/2024	Total 31/12/2023
1. Initial amount	**12.572**	**17. GG4**
2. Increases		
2.1 Deferred tax assets recognised during the year		
(a) relating to previous financial years	0	0
(b) due to changes in accounting policies	0	0
(c) write-backs	0	0
(d) other	1.815	66
2.2 New taxes or tax rate increases	0	0
2.3 Other Increases	0	0
3. Decreases		
3.1 Deferred tax assets cancelled during the year		
(a) Revolutions	3.910	4.797
(b) write-downs for non-recoverability	0	0
(c) change of accounting policies	0	0
(d) other	0	0
3.2 Tax Rate Reductions	0	0
3.3 Other decreases		
(a) conversion into tax credits under Law No. 214/2011	0	690
(b) other	0	0
4. Final amount	**10.477**	**12.572**

Notes:
The table summarises all deferred tax assets that will be absorbed in subsequent years as a balancing entry in the income statement.
Sub-item "d) other " of the Increases includes the recognition of deferred tax assets on the Bank's tax losses in the amount of 1,755 thousand.

10.3.1 Changes in deferred tax assets under Law 214/2011 (with contra-entry to the income statement)

Entries	Total 31/12/2024	Total 31/12/2023
1. Initial amount	**8.160**	**12.82G**
2. Increases	**0**	**0**
3. Decreases	**3.780**	**4.66G**
3.1 Revolutions	3.780	4.669
3.2 conversion into tax credits	0	0
(a) arising from operating losses	0	0
(b) arising from tax losses	0	0
3.3 other decreases	0	0
4. Final amount	**4.380**	**8.160**

10.4 Changes in deferred taxes (with contra-entry to the income statement)

Entries	Total 31/12/2024	Total 31/12/2023
1. Initial amount	**14**	**136**
2. Increases		
2.1 Deferred taxes recognised in the year		
(a) relating to previous financial years	0	0
(b) due to changes in accounting policies	0	0
(c) other	0	14
2.2 New taxes or tax rate increases	0	0
2.3 Other Increases	0	0
3. Decreases		
3.1 Deferred taxes cancelled during the year		
(a) Revolutions	14	136
(b) due to changes in accounting policies	0	0
(c) other	0	0
3.2 Tax Rate Reductions	0	0
3.3 Other decreases	0	0
4. Final amount	**0**	**14**

Notes:
The table summarises all deferred taxation that will be absorbed in subsequent years as an offset to the profit and loss account.

10.5 Changes in deferred tax assets (with contra-entry to)

Entries	Total 31/12/2024	Total 31/12/2023
1. Initial amount	**4.461**	**10.763**
2. Increases		
2.1 Deferred tax assets recognised during the year		
(a) relating to previous financial years	0	0
(b) due to changes in accounting policies	0	0
(c) other	6	72
2.2 New taxes or tax rate increases	0	0
2.3 Other Increases	0	0
3. Decreases		
3.1 Deferred tax assets cancelled during the year		
(a) Revolutions	2.896	6.374
(b) write-downs for non-recoverability	0	0
(c) due to changes in accounting policies	0	0
(d) other	0	0
3.2 Tax Rate Reductions	0	0
3.3 Other decreases	0	0
4. Final amount	**1.570**	**4.461**

Notes:
The changes are attributable to deferred tax assets recognised on the movement in equity reserves relating to financial instruments classified in the portfolios of financial assets measured at fair value with an impact on comprehensive income.

10.6 Changes in deferred taxes (with contra-entry to)

Entries	Total 31/12/2024	Total 31/12/2023
1. Initial amount	**16**	**13**
2. Increases		
2.1 Deferred taxes recognised in the year		
(a) relating to previous financial years	0	0
(b) due to changes in accounting policies	0	0
(c) other	15	3
2.2 New taxes or tax rate increases	0	0
2.3 Other Increases	0	0
3. Decreases		
3.1 Deferred taxes cancelled during the year		
(a) Revolutions	0	0
(b) due to changes in accounting policies	0	0

Entries	Total 31/12/2024	Total 31/12/2023
(c) other	0	0
3.2 Reduction of tax rates	0	0
3.3 Other decreases	0	0
4. Final amount	**31**	**16**

Probability test on deferred taxation

With reference to the probability test on deferred taxation, please refer to Part B - Assets of the Consolidated Notes to the Financial Statements.

10.7 Other information - Current tax assets - Composition

Entries	Total 31/12/2024	Total 31/12/2023
1. Advances paid to the tax authorities	1.986	1.651
2. Capital share tax credits	1.709	3.551
3. Interest Tax Credits	0	0
4. Other deductions	189	160
Total	**3.885**	**5.363**

Notes:

Current tax assets recognised at 31 December 2023 have been treated as 'closed' balances in the balance sheet and 'open' balances in the table above.

10.7 Other Information - Current Tax Liabilities - Composition

Entries	Total 31/12/2024	Total 31/12/2023
1. Ires tax provision	760	2.185
2. IRAP tax provision	327	930
3. Provision for stamp duties	0	0
4. Provision for taxes - substitute tax L. 244/2007	0	0
5. Provision for taxes - other	0	0
Total	**1.087**	**3.115**

Notes:

Current tax liabilities recognised at 31 December 2023 have been treated as 'closed' balances in the balance sheet and 'open' balances in the table above.

Section 12 - Other assets - Item 120

12.1 Other activities: composition

Entries	Total 31/12/2024	Total 31/12/2023
01. Sundry debtors	2.791	4.892
02. Travelling matches	53	5.506
03. Items in Process	23.308	24.144
04. Miscellaneous items to be settled	368	290
05. Loans contracted to be disbursed	680	0
06. Cheques, Delinquent and Protest Bills	76	37
07. Assets sold and not written off	0	0
08. Assets for Expenses on Third Party Assets	1.032	1.127
09. Expenses Pending Invoicing	71	324
10. Costs to be charged	220	0
11. Antergate Securities Transactions	893	812
12. Miscellaneous Assets	13.875	14.715
13. Accrued income and prepaid expenses	6.949	3.092
14. Securities to be settled (Sales)	0	21.533
15. Tax Credits - Building Bonuses	90.964	97.829
16. Miscellaneous tax items	0	0
17. Other activities	384	376
Total	**141.663**	**174.678**

LIABILITY

Section 1 - Financial liabilities measured at amortised cost - Item 10

1.1 Financial liabilities measured at amortised cost: breakdown by type of bank debt

Type of transaction/Values	Total 31/12/2024				Total 31/12/2023				Variaz.	Change %
	Balance sheet value	Fair value			Balance sheet value	Fair value				
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		
1. Payables to central banks	0	X	X	X	549.300	X	X	X	-549.300	-100,00%
2. Payables to banks										
2.1 Current accounts and visible deposits	64.250	X	X	X	50.459	X	X	X	13.791	27,33%
2.2 Deposits at deadline	0	X	X	X	0	X	X	X	0	#DIV/0!
2.3 Financing	7.607	X	X	X	5.594	X	X	X	2.013	
2.3.1 Ready against term liabilities	0	X	X	X	0	X	X	X	0	
2.3.2 Others	7.607	X	X	X	5.594	X	X	X	2.013	
2.4 Payables for commitments to repurchase own instruments assets	0	X	X	X	0	X	X	X	0	
2.5 Leasing liabilities	0	X	X	X	0	X	X	X	0	
2.6 Other debts	0	X	X	X	0	X	X	X		
Total	**71.858**	0	0	71.858	**605.354**	0	0	605.354	**-533.4G6**	**-88,13%**

Notes:
Amounts due to banks are all valued at cost or amortised cost.

1.2 Financial liabilities measured at amortised cost: breakdown of payables to customers

Type of transaction/Values	Total 31/12/2024				Total 31/12/2023				Variaz.	Variaz. %
	Balance sheet value	Fair value			Balance sheet value	Fair value				
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		
1. Current accounts and visible deposits	2.379.148	X	X	X	2.452.653	X	X	X	-73.505	-3,00%
2. Maturity Deposits	1.218.761	X	X	X	858.612	X	X	X	360.149	41,95%
3. Financing	128.924	X	X	X	215.568	X	X	X	-86.644	-40,19%
3.1 Ready against term liabilities	128.924	X	X	X	215.568	X	X	X	-86.644	-40,19%
3.2. Others	0	X	X	X	0	X	X	X	0	-
4. Payables for commitments to repurchase own asset instruments	0	X	X	X	0	X	X	X	0	-
5. Lease Payables	15.874	X	X	X	12.429	X	X	X	3.445	27,72%
6. Other debts	66.987	X	X	X	101.557	X	X	X	-34.569	-34,04%
Total	**3.80G.6G4**	**0**	**0**	**3.80G.6G4**	**3.640.81G**	**0**	**0**	**3.640.81G**	**168.875**	**4,64%**

Notes:
Amounts due to customers are all valued at cost or amortised cost.
Line 5 'Lease Payables' represents lease liabilities accounted for in accordance IFRS16.
Line 6 'Other payables' includes liabilities associated with assets sold and not derecognised related to the securitisation transaction completed in September 2023.

1.3 Financial liabilities measured at amortised cost: breakdown of securities in issue

Type of securities/Values	Total 31/12/2024				Total 31/12/2023			
	Balance sheet value	Fair value			Balance sheet value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Titles								
1. Bonds	115.782	0	0	115.782	172.406	0	0	172.406
1.1 structured	0	0	0	0	0	0	0	0
1.2 others	115.782	0	0	115.782	172.406	0	0	172.406
2. Other titles	0	0	0	0	15	0	0	15
2.1 structured	0	0	0	0	0	0	0	0
2.2 Others	0	0	0	0	15	0	0	15
Total	**115.782**	**0**	**0**	**115.782**	**172.421**	**0**	**0**	**172.421**

Notes:
The table shows the funding represented by bonds.
All liabilities are valued at cost or amortised cost, except for items specifically hedged against interest rate risk on which the effect of swaps has been capitalised. Liabilities are shown net of repurchased bonds.

1.4 Financial liabilities measured at amortised cost: breakdown of subordinated debt/securities

ISIN	Date of issue	Date of reimbursement	Issuing value	Amount eligible in Own Funds
IT0005337719	28/06/2018	28/06/2025	30.000	2.941
IT0005371270	10/06/2019	10/06/2029	5.000	4.441
IT0005376287	20/06/2019	20/06/2029	1.000	894
IT0005385668	25/09/2019	25/09/2029	2.000	1.894
IT0005391518	05/12/2019	05/12/2029	1.000	986
IT0005396426	20/12/2019	20/12/2024	0	0
IT0005253148	01/06/2017	01/06/2024	0	0
IT0005487118	15/03/2022	15/03/2029	2.000	1.681
IT0005495574	16/05/2022	16/05/2030	3.000	3.000
IT0005498859	29/06/2022	29/06/2030	3.000	3.000
IT0005509135	30/09/2022	30/09/2030	2.000	2.000
IT0005510059	30/09/2022	30/09/2030	3.000	3.000
IT0005514960	20/10/2022	20/10/2030	3.000	3.000
IT0005516395	20/10/2022	20/10/2030	700	700
IT0005516403	20/10/2022	20/10/2030	400	400
IT0005523391	07/12/2022	07/12/2030	2.800	2.800
IT0005527772	29/12/2022	29/12/2030	2.200	2.200
IT0005527780	29/12/2022	29/12/2030	5.000	5.000
IT0005534190	01/03/2023	01/03/2031	800	800
IT0005554495	29/06/2023	29/06/2031	2.000	2.000
IT0005558751	10/08/2023	10/08/2031	800	800
IT0005560534	04/09/2023	04/09/2031	4.500	4.500
IT0005560591	04/09/2023	04/09/2031	2.000	2.000
IT0005561268	20/09/2023	20/09/2031	500	500
IT0005561854	26/09/2023	26/09/2031	8.000	8.000
Total			**84.700**	**56.537**

1.6 Financial liabilities measured at amortised cost: leasing liabilities

TIME BANDS	31/12/2024		31/12/2023	
	Payments to be made		Payments to be made	
	Leasing financial	Leasing operational	Leasing financial	Leasing operational
Up to 1 year	0	45	0	113
Over 1 year up to 2 years	0	758	0	270
Over 2 years up to 3 years	0	575	0	1.020
Over 3 years up to 4 years	0	557	0	813
Over 4 years up to 5 years	0	0	0	4.193

TIME BANDS	31/12/2024		31/12/2023	
	Payments to be made		Payments to be made	
	Leasing financial	Leasing operational	Leasing financial	Leasing operational
Over 5 years	0	13.810	0	5.948
Total payments to be made for leasing	0	15.745	0	12.357
RECONCILIATION WITH DEBTS:				
Unaccrued financial gains (-) (Effect update)	0	129	0	72
Leasing debts	**0**	**15.874**	**0**	**12.42G**

Notes:
It should be noted that table '1.6 Lease Payables' shows an analysis of lease liabilities by time period as required by IFRS16 and Bank Italy Circular No. 262.

Section 2 - Financial liabilities held for trading - Item 20

2.1 Financial liabilities held for trading: composition by type

Type of transaction/Values	Total 31/12/2024					Total 31/12/2023				
	Notional Value	Fair value			Fair Value (*)	Notional Value	Fair value			Fair Value (*)
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
A. Cash liabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
1. Payables to banks	0	0	0	0	0	0	0	0	0	0
2. Payables to customers	0	0	0	0	0	0	0	0	0	0
3. Debt Securities	0	0	0	0	0	0	0	0	0	0
3.1 Bonds	0	0	0	0	0	0	0	0	0	0
3.1.1 Structured	0	0	0	0	0	0	0	0	0	0
3.1.2 Others bonds	0	0	0	0	0	0	0	0	0	0
3.2 Other Titles	0	0	0	0	0	0	0	0	0	0
3.2.1 Structured	0	0	0	0	0	0	0	0	0	0
3.2.2 Others	0	0	0	0	0	0	0	0	0	0
Total A	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
B. Derivative Instruments	**0**	**0**	**0**	**420**	**0**	**0**	**0**	**0**	**442**	**0**
1. Financial derivatives	0	0	0	420	0	0	0	0	442	0
1.1 Trading	0	0	0	420	0	0	0	0	442	0
1.2 Connected with the fair value option	0	0	0	0	0	0	0	0	0	0
1.3 Others	0	0	0	0	0	0	0	0	0	0
2. Credit derivatives	0	0	0	0	0	0	0	0	0	0
2.1 Trading	0	0	0	0	0	0	0	0	0	0
2.2 Connected with the fair value option	0	0	0	0	0	0	0	0	0	0
2.3 Others	0	0	0	0	0	0	0	0	0	0
Total B	**0**	**0**	**0**	**420**	**0**	**0**	**0**	**0**	**442**	**0**
Total A+ B	**0**	**0**	**0**	**420**	**0**	**0**	**0**	**0**	**442**	**0**

Legend
FV (*) - fair value calculated excluding changes in value due to changes in the issuer's creditworthiness since the issue date.

Section 8 - Other Liabilities - Item 80

8.1 Other liabilities: composition

Entries	Total 31/12/2024	Total 31/12/2023
01. Miscellaneous Fiscal Items	10.818	7.621
02. Travelling matches	605	7.472
03. Differences receivable on third-party portfolio offsets	50.285	10.996
04. Suppliers	5.074	5.512
05. Items in Process and Sundry Creditors	19.298	50.515
06. Accrued expenses and deferred income	6.092	3.586
07. Borrower account for loans taken out to be disbursed	680	0
08. Securities to be settled (Purchases)	7	24.485
09. Difference in amortised cost on equity instruments	0	0
10. Other items payable	384	376
Total	**G3.243**	**110.563**

Section G - Staff leaving indemnities - Item G0

G.1 Staff severance pay: annual changes

Entries	Total 31/12/2024	Total 31/12/2023
A. Initial Existence	**3.026**	**3.183**
B. Increases		
B.1 Provision for the year	1.369	1.324
B.2 Other changes	141	239
C. Decreases		
C.1 Settlements made	36	396
C.2 Other changes	1.369	1.324
D. Closing inventories	**3.131**	**3.026**
Total	**3.131**	**3.026**

Notes:
Line B.1 "Provision for the year" includes the severance indemnity accrued during the year for Euro 1,369 thousand. Line B.2 "Other changes" includes "Service Cost" for 45 thousand, "interest cost" for€ 76 mgl and Actuarial Gains/Losses for 20 mgl.
Line C.1 'Settlements made' includes the 'Benefit Paid' for IAS purposes of the Severance Indemnity Reserve in the amount of EUR 36,000.
Line C.2 "Other changes" includes the severance pay transferred to the Employees' Supplementary Pension Fund (external) or Treasury Inps for EUR 1,369 thousand.

Other information

In accordance with IAS 19, the valuation of Staff Severance Provision was carried out by applying specific actuarial estimates provided for the treatment of defined benefit provisions. The valuation, certified by specifically appointed external professionals, was carried out based on the 'accrued benefits' method using the 'Projected Unit Credit' (PUC) criterion as established by IAS 19 and considering the following demographic and financial assumptions:
- The annual discount rate used to determine the present value of the obligation is 2.396% and was determined, consistently with Paragraph 83 of IAS 19, by reference to the interest rate maturity structure derived with bootstrap methodology from the swap rate curve measured as of 01.01.2025 and set with respect to liabilities with an average residual maturity of 9 years;
- the annual rate of increase of the TFR, as provided for Article 2120 of the Civil Code, is 75% inflation plus 150 basis points;
- as regards the hypothesis concerning inflation, reference was made to the "Economic and Financial Document 2023 - Update Note" approved by the Council of Ministers on 27 September 2023, which envisages a rate on an annual basis of 2% for 2025 and 2.1% for 2026. Due to this update, a flat rate of 2.1%, also on an annual basis, was assumed to be adopted from 2027;
- Among the demographic technical bases, the probabilities of death were derived from those for the Italian population broken down by sex and age as recorded by ISTAT in 2000 and reduced by 25%;
- the annual frequencies of advances and turnover were derived from the Bank's historical experience. The

valuation of termination benefits using the above methodologies resulted in the following findings:

Entries	Total 31/12/2024	Total 31/12/2023
Present value of defined benefit obligations as at 31/12/2023	**3.026**	**3.183**
Total service costs 01/01/2024 - 31/12/2024	45	43
Interest costs 01/01/2024 - 31/12/2024	76	101
Net periodic costs	121	144
Actuarial gains (+)/losses (-) 01/01/2024 - 31/12/2024	20	95
Business acquisition	0	0
Utilisations 01/01/2024 -31/12/2024	36	396
Present value of defined benefit obligations as at 31/12/2024	**3.131**	**3.026**

Starting in 2013, with the application of the revised IAS 19, actuarial differences are recognised directly in equity. The amount of termination benefits calculated in accordance with national regulations, i.e. in relation to the contractual and legislative obligations undertaken by the Bank towards its employees, amounts to€ 3,001 thousand.

Section 10 - Provisions for liabilities and charges - Item 100

10.1 Provisions for liabilities and charges: composition

Items/Values	Total 31/12/2024	Total 31/12/2023
1. Provisions for credit risk related to financial commitments and guarantees released	2.385	2.099
2. Provisions on other commitments and other guarantees given	0	0
3. Corporate retirement funds	0	0
4. Other provisions for risks and charges	2.559	5.241
4.1 legal disputes	2.417	5.122
4.2 personnel charges	0	0
4.3 Others	142	119
Total	**4.G44**	**7.340**

The provision for legal disputes also includes provisions for pending litigation made by Invest Banca and acquired with the merger.
Contingent liabilities relating to disputes specific to the Bank and for which an adverse outcome is deemed "possible".
amounted to a total of 2,910 thousand.

10.2 Provisions for liabilities and charges: annual changes

Entries	Provisions on other commitments and other guarantees given	Retirement funds	Other funds	Total 31/12/2024
A. Initial Existence	**2.0GG**	**0**	**5.241**	**7.340**
B. Increases				
B.1 Provision for the year	448	0	155	**603**
B.2 Changes due to the passage of time	0	0	0	**0**
B.3 Changes due to changes in the discount rate	0	0	0	**0**
B.4 Other Changes	0	0	0	**0**
C. Decreases				
C.1 Use during the financial year	162	0	2.837	**2.GGG**
C.2 Changes due to changes in the discount rate	0	0	0	**0**
C.3 Other changes	0	0	0	**0**
D. Closing inventories	**2.385**	**0**	**2.55G**	**4.G44**

10.3 Provisions for credit risk related to financial commitments and guarantees given

Entries	Provisions for credit risk related to commitments and guarantees finances issued			
	First stage	According to stadium	Third stage	Total 31/12/2024
1. Commitments to Disburse Funds	0	0	0	0
2. Financial Guarantees Issued	242	25	2.119	2.385
Total	**242**	**25**	**2.11G**	**2.385**

Section 12 - Company assets - Items 110, 130, 140, 150, 160, 170, and 180

12.2 Capital - Number of shares: annual changes

Items/Typologies	Ordinary	More
A. Shares existing at the beginning of the financial year	**254.53G.130**	**0**
- entirely liberated	254.539.130	0
- not fully released	0	0
A.1 Treasury shares (-)	0	0
A.2 Outstanding shares: opening balances	**254.53G.130**	**0**
B. Increases		
B.1 New Issues		
- for a fee:	0	0
- business combination operations	0	0
- conversion of bonds	0	0
- exercise of warrants	0	0
- other	0	0
- free of charge:	0	0
- in favour of employees	0	0
- in favour of administrators	0	0
- other	0	0

Items/Typologies	Ordinary	More
B.2 Sale of Treasury Shares	0	0
B.3 Other changes	0	0
C. Decreases		
C.1 Cancellation	0	0
C.2 Purchase of own shares	0	0
C.3 Transfers of undertakings	0	0
C.4 Other Changes	0	0
D. Shares in circulation: closing balances	**254.53G.130**	**0**
D.1 Treasury shares (+)	0	0
D.2 Existing shares at year-end	254.539.130	0
- entirely liberated	254.539.130	0
- not fully released	0	0

12.3 Capital: other information - annual changes

Entries	Amounts	Number of shares	Number of members
A. Initial Existence	**252.800**	**254.53G.130**	**246**
B. Increases			
B.1 Share Purchase - New Partners	36	36.381	6
B.2 From other changes	318	319.860	0
C. Decreases			
C.1 Sales - Extinct Members	155	156.241	17
C.2 From other changes	199	200.000	0
D. Closing inventories	**252.800**	**254.53G.130**	**235**

12.4 Revenue reserves: other information - composition of assets

Entries	Total 31/12/2024	Total 31/12/2023 (*)
1. Capital	252.800	252.800
2. Issue surcharges	803	803
3. Reserves	-21.482	-39.689
3.1 Ordinary/extraordinary reserve	64.360	43.940
3.2 Statutory reserve	0	0
3.3 Reserves - First Time Adoption IAS/IFRS	-78.146	-78.146
3.4 Reserves - Way Out	3.425	3.425
3.5 Reserve on sales/redemptions of HTCS securities OCI option	-4.268	-4.268
3.6 Reserve for Coupon Payments on Equity Instruments	-5.740	-3.543
3.7 Reserve for Profits from Equity Investments with Significant Influence	-1.114	-1.099
4. (Own shares)	0	0
5. Valuation Reserves	-1.064	-6.684
5.1 Financial assets held for trading	0	0
5.2 Financial assets measured at fair value with impact on overall profitability	-2.547	-8.182
5.3 Financial assets measured at amortised cost	0	0
5.4 Tangible Assets	0	0
5.5 Intangible Assets	0	0
5.6 Hedging Foreign Investments	0	0
5.7 Cash Flow Hedging	0	0
5.8 Exchange Rate Differences	0	0
5.9 Non-current assets held for sale	0	0
5.10 Actuarial Gains (Losses) on Defined Benefit Plans	-771	-756
5.11 Quota of valuation reserves of participations valued at equity	2.253	2.253
5.12 Special Revaluation Laws	0	0
6. Capital instruments	40.000	40.000
7. Profit (Loss) the Year	14.005	22.075
Total	**285.062**	**26G.304**

The column relating to 31 December 2023 was adjusted as a result of the reallocation of the effect of the correction of the error made by the investees from the item "Valuation reserves" to the item "Reserves".

Item 3.3 Reserves - First Time adoption IAS/IFRS includes the adjustment from FTA resulting from the application of IFRS9, which came into force on 01/01/2018. Details of the item are shown at the end of the table on Changes ' Equity.

12.4 Revenue reserves: other information - allocation and appropriation of profit for the year

Entries	Amount	Accounting allocation to assets
- Legal Reserve (5.00% of profit)	700	Increase in liability item 160 (Cet1)
- Extraordinary Reserve (including the ex Article 6 DL 368/2005 for EUR 0.00)	12.236	Increase in liability item 160 (Cet1)
- Tax suspension reserve Decree-Law 104 of 10/08/2023	0	Increase in liability item 160 (Cet1)
- Shareholders in dividends	1.069	
Total	**14.005**	

12.5 Equity instruments: composition and annual changes

ISIN	Date of issue	Date of reimbursement	Issuing value	Amount eligible in Own Funds
IT0005427023	23/11/2020	31/12/2099	1.500	1.500
IT0005429375	15/12/2020	15/12/2099	3.500	3.500
IT0005429755	21/12/2020	21/12/2099	1.000	1.000
IT0005431777	21/12/2020	21/12/2099	500	500
IT0005432130	28/12/2020	28/12/2099	3.500	3.500
IT0005439846	30/03/2021	30/03/2099	5.000	5.000
IT0005454076	11/08/2021	11/08/2099	5.000	5.000
IT0005475055	28/12/2021	28/12/2099	7.000	7.000
IT0005489601	30/03/2022	30/03/2099	3.000	3.000
IT0005566648	10/10/2023	10/10/2099	10.000	10.000
Total			**40.000**	**40.000**

Notes: The balance sheet item "130. Capital instruments" include Additional Tier1 capital instruments issued in previous years totalling € 40,000 mgl. These instruments were classified as Additional Tier 1 capital ("Additional Tier 1"), pursuant to Regulation No. 575 of 2013 (CRR). For further details on the accounting treatment of the instruments under review, please refer to what is illustrated in "Part A - Accounting Policies" of these explanatory notes.

12.6 Other Information - Statement on the Origin, Usability and Distributability of Shareholders' Equity Items (Article 2427, paragraph 1 no. 7 bis, Italian Civil Code)

Pursuant to Article 2427, paragraph 7-bis, of the Civil Code, the table below shows the composition of shareholders' equity, according to the origin and degree of availability and distributability of the various items:

Entries	Amount	Possible uses	Q Wheel available	Summary of utilisations over the last three years exercises	
				For coverage leaks	For other reasons
Capital	252.800	B - C	252.800		0
Share premium reserve	803	B - C	803		0
Valuation Reserves:					
- reserve HTCS titles	-2.547	B	-2.547		
- actuarial reserve	-771	B	-771		
- reserve from equity investments	2.253	B	2.253		
Profit Reserves:					
- reserve/legal/statutory indivisible	56.663	B	56.663	0	0
- transition reserve to principles international accountants	-78.146	B	-78.146		
Total	**231.057**		**231.057**		
Q non-distributable wheel			0		
Residual distributable quota			231.057		

Legend: A= for capital increase - B= for loss coverage - C= for distribution to shareholders

Other information

1. Financial commitments and guarantees given (other than those designated at fair value)

	Nominal value on commitments and financial guarantees released				Total 31/12/2024	Total 31/12/2023
	First stage	Second stage	Third stage	Impaired acquired o originated		
1) Commitments to disburse funds	**7G8.4G4**	**47.1G4**	**14.747**	**0**	**860.435**	**876.831**
(a) Central Banks	0	0	0	0	0	0
b) Public administrations	1.830	0	0	0	1.830	974
(c) Banks	2.500	0	0	0	2.500	2.500
d) Other financial companies	83.073	0	0	0	83.073	77.753
e) Non-financial companies	635.664	43.636	14.317	0	693.617	716.592
f) Families	75.427	3.558	430	0	79.415	79.012
2) Financial Guarantees Issued	**73.423**	**0**	**0**	**0**	**73.423**	**83.153**
(a) Central Banks	0	0	0	0	0	0
b) Public administrations	3	0	0	0	3	3
(c) Banks	0	0	0	0	0	0
d) Other financial companies	5.783	0	0	0	5.783	7.130
e) Non-financial companies	57.774	0	0	0	57.774	63.727
f) Families	9.863	0	0	0	9.863	12.294
Total	**871.G17**	**47.1G4**	**14.747**	**0**	**G33.858**	**G5G.G84**

2. Other commitments and other guarantees given

Wallets	Nominal value	
	Amount 31/12/2024	Amount 31/12/2023
1. Other guarantees given	**13.852**	**15.11G**
of which: impaired	0	0
(a) Central Banks	0	0
b) Public administrations	0	0
(c) Banks	9.728	10.647
d) Other financial companies	0	0
e) Non-financial companies	4.124	4.472
f) Families	0	0
2. Other commitments	**0**	**0**
of which: impaired	0	0
(a) Central Banks	0	0
b) Public administrations	0	0
(c) Banks	0	0
d) Other financial companies	0	0
e) Non-financial companies	0	0
f) Families	0	0

3. Assets pledged to secure own liabilities and commitments

Wallets	Amount 31/12/2024	Amount 31/12/2023
1. Financial assets measured at fair value with impact on income statement economic	0	0
2. Financial assets measured at fair value with impact on overall profitability	97.045	154.775
3. Financial assets measured at amortised cost	320.199	641.203
4. Material activities	0	0
of which tangible assets constituting inventories	0	0

4. Management and brokerage on behalf of third parties

Type of services	Amount
1. Execution of orders on behalf of customers	**472.302**
(a) purchases	305.806
adjust	305.798
unregulated	7
(b) sales	166.496
regulated	166.496
unregulated	0

Type of services	Amount
2. Individual portfolio management	**124.727**
3. Safekeeping and Administration of Securities	**4.650.212**
(a) third-party securities on deposit: related to acting as custodian bank (excluding portfolio management)	0
1. securities issued by the reporting bank	0
2. other titles	0
(b) third-party securities on deposit (excluding portfolio management): other	1.716.550
1. securities issued by the reporting bank	368.427
2. other titles	1.348.123
(c) third-party securities deposited with third parties	1.690.356
(d) securities deposited with third parties	1.243.305
4. Other Operations	**0**

PART C - Information on the Profit and Loss Account

Section 1 - Interest - Items 10 and 20

1.1 Interest and similar income: breakdown

Technical items/forms	Titles of debt	Financing	More operations	Total 31/12/2024	Total 31/12/2023	Variaz.	Change %
1. Financial assets measured at fair value with impact on income statement economic:	**2.257**	**0**	**0**	**2.257**	**1.264**	**GG3**	78,58%
1.1 Financial Assets held for trading	2.072	0	0	2.072	1.070	1.002	93,70%
1.2 Financial Assets designated at fair value	0	0	0	0	0	0	0,00%
1.3 Other financial assets compulsorily valued at fair value	185	0	0	185	194	-9	-4,86%
2. Financial assets measured at fair value with impact on overall profitability	**1.580**	**0**	**X**	**1.580**	**3.581**	-2.001	-55,87%
3. Financial assets measured at amortised cost:	**6.244**	**157.666**	**X**	**163.G10**	**151.353**	**12.557**	**8,30%**
3.1 Due from banks	0	15.994	X	15.994	9.890	6.105	61,73%
3.2 Loans and advances to customers	6.244	141.671	X	147.916	141.464	6.452	4,56%
4. Hedging derivatives	X	X	0	0	0	0	0,00%
5. Other activities	X	X	5.541	5.541	3.617	1.924	53,21%
6. Financial Liabilities	X	X	X	0	0	0	0,00%
Total	**10.081**	**157.666**	**5.541**	**173.288**	**15G.815**	**13.474**	**8,43%**
of which: interest income on impaired financial assets	**0**	**7.268**	**0**	**7.268**	**7.585**	**-316**	**-4,17%**
of which: interest income on financial leasing	**0**	**1.168**	**0**	**1.168**	**1.30G**	**-141,16**	**-10,78%**

Notes:
The item "interest income on impaired financial assets" includes both interest on non-performing loans in the amount of € 2,607 thousand and interest on other impaired exposures in the amount of € 4,661 thousand. Interest on non-performing loans includes interest collected for€ 137 mgl. and interest due to the passage of time charged to this item in application of IFRS9, in the amount of € 2,470 mgl.

1.2 Interest and similar income: other information

1.2.1 Interest income on financial assets in foreign currencies

Items/Values	Total 31/12/2024	Total 31/12/2023
Interest income on financial assets in foreign currencies	2.403	1.453

1.3 Interest expense and similar charges: composition

Technical items/forms	Debts	Titles	More operations	Total 31/12/2024	Total 31/12/2023	Variaz.	Variaz. %
1. Financial liabilities valued at amortised cost	-82.798	-6.782	0	-89.581	-73.150	-16.430	22,46%
1.1 Due to central banks	-11.860	X	X	-11.860	-24.595	12.734	-8,06%
1.2 Due to banks	-626	X	X	-626	-680	55	71,94%
1.3 Due to customers	-70.312	X	X	-70.312	-40.894	-29.418	-2,85%
1.4 Outstanding Securities	X	-6.782	X	-6.782	-6.981	199	-
2. Financial liabilities of negotiation	0	0	0	0	0	0	-
3. Financial liabilities designated at fair value	0	0	0	0	0	0	176,25%
4. Other Liabilities and Funds	X	X	-4.533	-4.533	-1.641	-2.892	-
5. Hedging derivatives	X	X	0	0	0	**0**	-
6. Financial Assets	X	X	X	0	0	**0**	25,84%
Total	**-82.7G8**	**-6.782**	**-4.533**	**-G4.114**	**-74.7G1**	**-1G.323**	**G3,01%**
of which: related interest expenses leasing debts	**0**	**0**	**-435**	**-435**	**-226**	**-210**	**G3,01%**

Notes:
The item "Interest Expense on Other Liabilities" includes interest expense accrued on the Senior Note issued against the securitisation transaction in the amount of €4,097 million.

1.4 Interest and similar charges: other information

1.4.1 Interest expenses on foreign currency liabilities

Items/Values	Total 31/12/2024	Total 31/12/2023
Interest Expense on Financial Liabilities in Foreign Currency	-1.065	-942

Section 2 - Commissions - Items 40 and 50

2.1 Commission income: composition

Type of services/values	Total 31/12/2024	Total 31/12/2023	Variaz.	Variaz. %
(a) Financial instruments	**3.656**	**4.808**	-1.152	-23,97%
1. Placement of Securities	**1.412**	**1.407**	5	0,36%
1.1 On a firm and/or irrevocable commitment basis	0	0	0	
1.2 Without irrevocable commitment	1.412	1.407	5	0,36%
2. Reception and transmission of orders and execution of orders on behalf of clients	**882**	**2.354**	-1.472	-62,53%
2.1 Receipt and transmission of orders for one or more financial instruments	325	270	55	20,41%
2.2 Execution of orders on behalf of customers	557	2.084	-1.527	-73,28%
3. Other commissions related to financial instrument activities	**1.362**	**1.047**	315	30,04%
of which: proprietary trading	38	40	-2	-4,38%
of which: individual portfolio management	1.324	1.007	316	31,40%
b) Corporate Finance	**0**	**0**	0	-
1. Advice mergers and acquisitions	0	0	0	-
2. Treasury services	0	0	0	-
3. Other fees related to corporate finance services	0	0	0	-
c) Investment advisory activities	**2**	**11**	-9	-80,37%
d) Clearing and Settlement	0	0	0	-
(e) Safekeeping and administration of securities	**311**	**238**	73	30,57%
1. Custodian Bank	0	0	0	-
2. Other fees related to custody and administration activities	311	238	73	30,57%
f) Central administrative services for collective portfolio management	0	0	0	-
(g) Fiduciary activities	0	0	0	-
(h) Payment services	**22.016**	**21.111**	905	4,29%
1. Current accounts	16.458	16.436	22	0,13%
2. Credit Cards	1.081	487	593	121,81%
3. Debit cards and other payment cards	2.386	2.197	189	8,59%
4. Bank transfers and other payment orders	2.076	1.951	125	6,42%
5. Other fees related to payment services	16	40	-24	-60,99%
i) Distribution third-party services	**4.6G8**	**4.8G8**	-200	-4,09%
1. Collective portfolio management	0	0	0	-
2 Insurance products	3.043	3.814	-771	-20,21%
3 Other products	1.655	1.084	571	52,63%
of which: individual portfolio management	0	0	0	-
j) Structured finance	0	0	0	-
(k) Servicing activities for securitisation transactions	265	220	45	20,28%
l) Commitments to disburse funds	0	0	0	-
m) Financial guarantees given	635	560	75	13,44%
of which: credit derivatives	0	0	0	-
n) Financing Operations	1.040	1.199	-159	-13,30%
of which: factoring transactions	0	0	0	-
(o) Currency trading	1.060	1.023	37	3,64%
p) Merci	0	0	0	-
q) Other commission income	2.842	2.894	-52	-1,80%
of which: for management activities of multilateral trading systems	0	0	0	-
of which: for OTF management activities	0	0	0	-
Total	**36.524**	**36.G62**	**-438**	**-1,18%**

2.2 Commission income: distribution channels for products and services

Channels/Values	Total 31/12/2024	Total 31/12/2023
(a) at their counters:	**7.425**	**7.287**
1. portfolio management	1.315	983
2. placement of securities	1.412	1.407
3. third-party services and products	4.698	4.898
(b) Off-branch offer:	**565**	**724**
1. portfolio management	8	25
2. placement of securities	557	699
3. third-party services and products	0	0
(c) other distribution channels	**0**	**0**

Channels/Values	Total 31/12/2024	Total 31/12/2023
1. portfolio management	0	0
2. placement of securities	0	0
3. third-party services and products	0	0

2.3 Commissions payable: composition

Services/Values	Total 31/12/2024	Total 31/12/2023	Variaz.	Change %
(a) Financial instruments	**-1.218**	**-G16**	**-302**	**32,G2%**
of which: trading in financial instruments	-293	-240	-53	22,12%
of which: placement of financial instruments	-79	-41	-38	93,54%
of which: individual portfolio management	-846	-635	-211	33,13%
- own	-846	-635	-211	33,13%
- delegated by third parties	0	0	0	-
b) Clearing and Settlement	**-381**	**-1.037**	**656**	**-63,24%**
(c) Safekeeping and administration of securities	**-231**	**-135**	**-G6**	**71,07%**
d) Collection and payment services	**-1.G87**	**-2.0G3**	**107**	**-5,0G%**
of which: credit cards, debit cards and other payment cards	-1.527	-1.627	99	-6,10%
e) Servicing activities for securitisation transactions	**0**	**0**	**0**	**-**
f) Commitments to receive funds	**0**	**0**	**0**	**-**
g) Financial guarantees received	**-G43**	**-1.132**	**18G**	**-16,6G%**
of which: credit derivatives	0	0	0	-
h) Off-premises offer of financial instruments, products and services	**-182**	**-237**	**54**	**-22,G8%**
(i) Currency trading	**-330**	**-325**	**-5**	**1,44%**
j) Other commission expenses	**-650**	**-1G1**	**-45G**	**241,07%**
Total	**-5.G22**	**-6.066**	**144**	**-2,37%**

The decrease recorded by the item in the period of Euro 144 thousand (-2.37%) is attributable to the reduction in charges connected with clearing and settlement activities for Euro 656 thousand (-63.24%), to the reduction in commissions on collection and payment services for Euro 107 thousand and to the reduction in costs connected with the acquisition of guarantees on loans granted to customers for Euro 189 thousand.
The decrease was partially offset by the increase in commissions related to asset management entrusted to third parties for Euro 211 million and the increase in other commission expenses for Euro 459 million due to the commissions paid to Cronos Vita for servicing activities on insurance transactions.

Section 3 - Dividends and similar income - Item 70

3.1 Dividends and similar income: breakdown

Items/Income	Total 31/12/2024		Total 31/12/2023	
	Dividends	Proceeds similar	Dividends	Proceeds similar
A. Financial assets held for trading	38	0	0	0
B. Other compulsorily valued financial assets at fair value	35	0	28	0
C. Financial assets measured at fair value with impact on overall profitability	471	0	560	0
D. Holdings	0	0	0	0
Total	**544**	**0**	**588**	**0**

Section 4 - Net trading income - Item 80

4.1 Net trading income: composition

Transactions/Income components	Capital gains (A)	Trading profits (B)	Capital losses (C)	Trading losses (D)	Net profit [(A+B) - (C+D)]
1. Financial assets held for trading	**2.G00**	**11.44G**	**2.168**	**2.G74**	**G.207**
1.1 Debt Securities	2.341	4.692	1.730	2.814	2.489
1.2 Capital Securities	559	645	438	160	606
1.3 Quote of O.I.C.R.	0	0	0	0	0
1.4 Financing	0	0	0	0	0
1.5 Other	0	6.112	0	0	6.112
2. Financial liabilities held for trading	**0**	**0**	**0**	**0**	**0**
2.1 Debt Securities	0	0	0	0	0
2.2 Debts	0	0	0	0	0
2.3 Other	0	0	0	0	0

Transactions/Income components	Capital gains (A)	Trading profits (B)	Capital losses (C)	Trading losses (D)	Net profit [(A+B) - (C+D)]
3. Financial Assets and Financial Liabilities: Differences of exchange	**0**	**0**	**0**	**0**	**0**
4. Derivative Instruments	**0**	**2G3**	**0**	**0**	**2G3**
4.1 Financial Derivatives	0	293	0	0	293
- On debt securities and interest rates	0	293	0	0	293
- On equities and equity indices	0	0	0	0	0
- On currencies and gold	0	0	0	0	0
- Others	0	0	0	0	0
4.2 Credit derivatives	0	0	0	0	0
of which: natural hedges associated with the fair value option	X	X	X	X	0,00
Total	**2.G00**	**11.742**	**2.168**	**2.G74**	**G.4GG**

Notes:
The table shows the economic result attributable to the portfolio of financial assets held for trading. In particular, sub-item 1.5 "Profits from trading financial assets - Other" includes profits from the sale of tax credits for Euro 2,650 million and profits from currency trading for Euro 3,461 million.

Section 6 - Gains (Losses) on disposal/repurchase - Item 100

6.1 Gains (Losses) on disposal/repurchase: composition

Items/Income components	Total 31/12/2024			Total 31/12/2023		
	Useful	Losses	Result net	Useful	Losses	Result net
A. Financial Assets						
1. Financial assets measured at amortised cost	1.274	569	705	1.542	5.514	-3.972
1.1 Due from banks	0	0	0	0	0	0
1.2 Loans and advances to customers	1.274	569	705	1.542	5.514	-3.972
2. Financial assets measured at fair value with impact on overall profitability	965	0	965	666	0	666
2.1 Debt Securities	965	0	965	666	0	666
2.2 Financing	0	0	0	0	0	0
Total assets	**2.23G**	**56G**	**1.670**	**2.207**	**5.514**	**-3.307**
B. Financial liabilities measured at amortised cost						
1. Due to banks	0	0	0	0	0	0
2. Due to customers	0	0	0	0	0	0
3. Securities in Issue	20	0	20	157	0	157
Total liabilities	**20**	**0**	**20**	**157**	**0**	**157**

Notes:
The table shows the economic result from the sale of financial assets other than those held for trading.
Gains amounting to Euro 2,239 million derive from the sale of financial assets measured at amortised cost during 2024 for Euro 1,274 thousand and from the sale of financial assets measured at fair value with an impact on overall profitability for Euro 965 thousand.
The losses of Euro 569 million resulted from the sale receivables with a total gross value of Euro 28 million in 2024.

Section 7 - Net result of other financial assets and liabilities at fair value through profit or loss economic - Item 110

7.2 Net change in value of other financial assets and liabilities at fair value through profit or loss: breakdown of other financial assets and liabilities mandatorily measured at fair value

Transactions/Income components	Capital gains (A)	Realised gains (B)	Capital losses (C)	Realised losses (D)	Net result [(A+B) - (C+D)]
1. Financial Assets	**4G1**	**160**	**4.873**	**57**	**-4.278**
1.1 Debt Securities	112	25	23	0	114
1.2 Capital Securities	0	0	0	0	0
1.3 Quote of O.I.C.R.	316	136	4.650	57	-4.255

Transactions/Income components	Capital gains (A)	Realised gains (B)	Capital losses (C)	Realised losses (D)	Net result [(A+B) - (C+D)]
1.4 Financing	62	0	200	0	-137
2. Financial assets and liabilities in foreign currencies: exchange rate differences	**X**	**X**	**X**	**X**	0
Total	**4G1**	**160**	**4.873**	**57**	**-4.278**

Section 8 - Net impairment adjustments/write-backs - Item 130

8.1 Net value adjustments for credit risk related to financial assets measured at cost amortised: composition

Transactions/Income components	Value adjustments (1)						Recovering Value (2)				Total 31/12/2024	Total 31/12/2023
	First stage	Second Stage	Third Stage		Impaired Acquired or originate		First stage	Second Stage	Third Stage	Impaired Acquired or originated		
			Write-off	More	Write-off	More						
A. Due from banks												
- Financing	-5	-624	-	0	0	0	5	0	0	0	-624	40
- Debt Securities	-	-	-	0	0	0	5	56	0	0	61	97
B. Loans and advances to customers			-	0	0	0	0	0	0	0	0	0
- Financing	-1.789	-3.577	-	-48.383	0	0	2.159	2.778	23.746	0	-25.066	-18.463
- Debt Securities	-98	0	-	0	0	0	95	0	0	0	-4	21
Total	**-1.8G3**	**-4.202**	-	**-48.383**	**0**	**0**	**2.264**	**2.835**	**23.746**	**0**	**-25.632**	**-18.305**

Notes:
The table summarises the value adjustments and write-backs recorded for the impairment of loans to bank counterparties and customers.

Other Details of Credit Adjustments/Write-backs - Item 130 of the Profit and Loss Account

Subdivision description	Amount 2024	Amount 2023
LOANS TO BANKS:		
HTC titles - stage 1: rectification	0	0
HTC titles - stage 2: rectification	0	0
HTC titles - stage 2: filming	56	97
Adjustments other receivables - stage 1	-5	0
Shooting other credits - stage 1	5	0
Adjustments other receivables - stage 2	-624	-26
Shooting other credits - stage 2	0	66
LOANS TO CUSTOMERS:		
Non-performing loans - Value adjustments	-35.820	-36.343
Non-performing loans - write-backs	14.532	18.685
Probable Defaults - Write-backs	6.264	3.078
Probable Defaults - Value Adjustments	-8.695	-6.179
Restructured - Net value adjustments/reversals	0	0
Overdue - Value recovery	2.950	700
Overdue - Value Adjustments	-3.867	-1.111
Value Adjustments - Bonis - Stage 2	-3.356	-2.857
Value recovery - Bonis - Stage 2	2.778	7.396
Value Adjustments - Bonis - Stage 1	-1.789	-2.588
Value recovery - Bonis - Stage 1	2.159	805
Losses without fund utilisation - Stage 1/2	-222	-49
Losses from other operations - Stage 1/2	0	0
HTC titles - stage 1: rectification	-98	-14
HTC titles - stage 1. shooting	95	35
HTC Titles - Stage 2	0	0
Total - Net value adjustments/reversals	**-25.637**	**-18.305**

8.2 Net value adjustments for credit risk related to financial assets measured at fair value with impact on overall profitability: composition

Transactions/Income components	Value adjustments (1)							Value recovery (2)			Total 31/12/2024	Total 31/12/2023
	First stage	Second stage	Third stage		Impaired acquired or originate		First stage	Second Stage	Third stage	Impaired Acquired or originated		
			Write-	More	Write-off	More						
A. Debt Securities	**0**	**0**	**0**	**0**	**0**	**0**	**G5**	**132**	**0**	**0**	**227**	**225**
B. Financing												
- Towards customers	0	0	0	0	0	0	0	0	0	0	0	0
- Towards banks	0	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**G5**	**132**	**0**	**0**	**227**	**225**

Notes:

The table summarises the value adjustments and write-backs recorded for the impairment of financial assets measured at fair value with an impact on comprehensive income.

Section G - Gains (Losses) from contractual changes without cancellation - Item 140

G.1 Gains (Losses) from Contractual Changes: Composition

Items/Income components	31/12/2024			31/12/2023		
	Useful	Losses	Result net	Useful	Losses	Result net
A. Financial Assets						
1.1 Loans and advances to customers	25	-419	-395	616	-479	137
Total	**25**	**-41G**	**-3G5**	**616**	**-47G**	**137**

Notes:

The table shows the economic result resulting from contractual modifications of financial instruments that do not entail their derecognition but only a different method of accounting (modification accounting), which implies the recognition in the income statement of the difference between the book value and the present value of the modified cash flows discounted at the original interest rate.

Section 10 - Administrative expenses - Item 160

10.1 Staff expenses: composition

Type of expenditure/Values	Total 31/12/2024	Total 31/12/2023
1) Employees	-33.886	-32.594
(a) wages and salaries	-23.426	-22.440
(b) social security contributions	-6.171	-6.052
(c) severance pay	0	0
(d) social security expenses	0	0
e) provision for staff severance indemnities	-1.490	-1.551
(f) provision for pensions and similar obligations:	0	0
- defined contribution	0	0
- defined benefit	0	0
(g) payments to external supplementary pension funds	-1.012	-958
- defined contribution	-1.012	-958
- defined benefit	0	0
(h) costs arising from payment agreements based on own instruments assets	0	0
(i) other employee benefits	-1.788	-1.593
2) Other personnel in activity	-58	-17
3) Directors and Statutory Auditors	-904	-805
4) Retired staff	0	0
5) Expense recoveries for employees seconded to other companies	0	0
6) Reimbursement of expenses for third-party employees seconded to the company	0	0
Total	**-34.848**	**-33.415**

Notes:

The increase recorded by the item in the period of €1,433,000 (4.29%) is attributable to costs related to the renewal of the category contract.

10.2 Average number of employees per category

Description	Values 31/12/2024	Values 31/12/2023
Employees	**410**	**413**
a) Managers	4	4
(b) Quaders	115	111
c) Other employees	291	298
Other personnel	**2**	**2**
Total	**412**	**415**

Punctual number of employees per category

Description	Values 31/12/2024	Values 31/12/2023
Employees	**424**	**41G**
a) Managers	4	4
(b) Quaders	117	111
c) Other employees	303	304
Other personnel	**6**	**5**
Total	**430**	**424**

10.4 Staff Expenses: Other Employee Benefits

Type of expenditure/Values	Total 31/12/2024	Total 31/12/2023
1) Meal vouchers for employees	-589	-489
2) Loyalty Award	0	0
3) Other expenses in favour of employees	-1.199	-1.103
Total	**-1.788**	**-1.5G3**

10.5 Other administrative expenses: composition

Items/Values	Total 31/12/2024	Total 31/12/2023	Variaz.	Variaz. %
1. Insurance and supervision	-730	-867	138	-15,87%
2. Advertising and representation	-1.825	-1.529	-297	19,39%
3. Property Rents	-220	-330	109	-33,17%
4. Maintenance, repair, conversion of furniture and buildings	-1.179	-1.130	-49	4,33%
5. Electricity, heating and room cleaning	-1.402	-1.750	348	-19,87%
6. Telex, telephone and postal services	-991	-1.102	110	-10,00%
7. Data Processing Costs	-5.135	-5.167	32	-0,62%
8. Printed matter and stationery	-283	-298	15	-5,08%
9. Fees to external professionals	-5.145	-5.121	-23	0,46%
10. Debt Collection Expenses	0	0	0	0,00%
11. Technical support and software product maintenance	-10.051	-9.929	-122	1,23%
12. Information and Visas	-1.537	-1.745	208	-11,92%
13. Charity charged to the profit and loss account	-8	-8	0	0,00%
14. Costs for Treasury Activities	-2	-2	0	0,00%
15. Travel and Transport Expenses	-596	-619	23	-3,71%
16. Indirect Taxes and Duties	-7.368	-6.435	-932	14,49%
17. Systemic burdens	-3.971	-5.950	1.979	-33,26%
- Contribution to the Resolution Fund - Ordinary	0	-1.944	1.944	-100,00%
- Contribution to the Resolution Fund - Additional charge	0	0	0	0,00%
- Contribution to the Interbank Deposit Protection Fund	-3.971	-4.006	35	-0,88%
18. Other miscellaneous costs	-1.858	-1.989	130	-6,56%
Total	**-42.302**	**-43.G71**	**1.66G**	**-3,80%**

This item recorded a decrease of Euro 1,669,000 (-3.80%) in the current year, mainly due to the fact that the Ordinary Contribution to the Ordinary Resolution Fund was no longer paid, following the reaching of the ceiling provided for by the SRB.
The increase in stamp duty expenses during the period (+ 932 thousand), largely offset by the increase in recoveries from customers allocated to other operating income, was offset by the decrease in electricity expenses and information and inspection expenses.

Section 11 - Net provisions for risks and charges - Item 170

11.1 Net provisions for credit risk related to commitments to disburse funds and financial guarantees released: composition

Transactions/Income components	Value adjustments (1)			Value recovery (2)		Total 31/12/2024	Total 31/12/2023
	First and second stadium	Third stage		First and second stadium	Third stage		
		Write-off	More				
A. Commitments to Disburse Funds	0	0	0	0	0	0	0
B. Financial guarantees given	-68	0	-380	104	57	-286	-122
Total	**-68**	**0**	**-380**	**104**	**57**	**-286**	**-122**

11.3 Net provisions for liabilities and charges: breakdown

Items/Values	Total 31/12/2024	Total 31/12/2023
1. Provisions for outstanding disputes	-155	-692
2. Provisions other	0	0
3. Reversals of provisions on outstanding disputes	1.981	1.869
Total	**1.826**	**1.178**

Section 12 - Net Value Adjustments/Write-backs on Tangible Assets - Item 180

12.1 Net Value Adjustments on Tangible Assets: Composition

Activity/Income component	Depreciation (a)	Impairment (b)	Write-backs (c)	Net result (a+b-c)
A. Material activities				
1. For functional use	-5.168	0	0	**-5.168**
- Ownership	-2.917	0	0	**-2.G17**
- Rights use acquired through leasing	-2.251	0	0	**-2.251**
2. Held for investment purposes	0	0	0	**0**
- Ownership	0	0	0	**0**
- Rights use acquired through leasing	0	0	0	**0**
3. Inventories	X	0	0	**0**
Total	**-5.168**	**0**	**0**	**-5.168**

Section 13 - Net Value Adjustments/Write-backs on Intangible Assets - Item 1G0

13.1 Net Value Adjustments on Intangible Assets: Composition

Activity/Income component	Depreciation (a)	Impairment (b)	Write-backs (c)	Net result (a+b-c)
A. Intangible Assets	-2.472	0	0	**-2.472**
of which: software	-2.007	0	0	**-2.007**
A.1 Owned	-2.472	0	0	**-2.472**
- Generated internally by the company	0	0	0	**0**
- Other	-2.472	0	0	**-2.472**
A.2 Rights of Use Acquired under Leases	0	0	0	**0**
Total	**-2.472**	**0**	**0**	**-2.472**

Section 14 - Other operating income and expenses - Item 200

14.1 Other operating expenses: breakdown

Items/Values	Total 31/12/2024	Total 31/12/2023
1. Contingent and non-existent liabilities	-276	-161
2. Interventions in favour of Guarantee Funds	0	0
3. Depreciation on third party assets	-229	-215
4. Expenses for passive cases	-7	-1.352
Total	**-512**	**-1.72G**

Notes: The item Expenses for lawsuits shows the impact on the income statement of payments made following the settlement of pending lawsuits.

14.2 Other operating income: composition

Items/Values	Total 31/12/2024	Total 31/12/2023
1. Expense recoveries	7.980	8.079
2. Contingent and non-existent assets	52	118
3. Other income	449	1.805

Items/Values	Total 31/12/2024	Total 31/12/2023
Total	**8.481**	**10.002**

Section 15 - Gains/Losses on participations - Item 220

15.1 Profit (loss) from equity investments: breakdown

Income Component/Values	Total 31/12/2024	Total 31/12/2023
A. Income		
1. Revaluations	442	71
2. Gains on Disposal	0	110
3. Value recovery	0	0
4. Other income	0	0
B. Charges		
1. Write-downs	0	506
2. Impairment adjustments	0	0
3. Losses on disposal	0	0
4. Other charges	0	0
Net result	**442**	**-324**

Notes:

Items A.1 "Revaluations" and B.1 "Write-downs" include the change in equity of the investees - in relation to the share held by the Bank - as a result of both the capitalisation of the 2023 results approved by the respective Shareholders' Meetings and the results recorded in the first nine months of 2024 approved by the companies' Boards of Directors.

In particular, the total amount is due to the following components:

- Revaluation of the investment held in the company Cabel Industry s.p.a. for 194 mgl. for profits earned by the investee company;
- Revaluation the investment held in the company C.h.s.p.a. for 248 mgl. for profits earned by the investee;

Section 18 - Gains (Losses) on disposal of investments - Item 250

18.1 Gains (losses) on disposal of investments: breakdown

Income Component/ Values	Total 31/12/2024	Total 31/12/2023
A. Properties		
- Gains on disposal	0	48
- Losses on disposal	-236	0
B. Other activities		
- Gains on disposal	11	47
- Losses on disposal	-9	-7
Net result	**-234**	**8G**

Section 1G - Income tax for the year on current operations - Item 270

1G.1 Income tax for the year on current operations: breakdown

Income Components/Values	Total 31/12/2024	Total 31/12/2023
1. Current taxes (-)	-274	-1.764
2. Change in current taxes from previous years (+/-)	0	0
3. Reduction current taxes for the year (+)	0	0
3a. Reduction of current taxes for the year for tax credits under the Law No. 214/2011 (+)	0	0
4. Change in deferred tax assets (+/-)	-2.095	-4.732
5. Change in deferred taxes (+/-)	14	122
6. Taxes for the year (-) (-1+/-2+3+3a+/-4+/-5)	**-2.355**	**-6.374**

Notes:

Current taxes have been recognised in accordance with current tax legislation.

Summary of income taxes for the year, by type of tax

Income Components/Values	Total 31/12/2024	Total 31/12/2023
- Ires	-1.572	-4.987
- IRAP	-784	-1.386
- Other Taxes	0	0
Total	**-2.355**	**-6.374**

1G.2 Reconciliation of Theoretical Tax Charge and Actual Tax Charge in the Financial Statements

Items/Values	Ires	Rate	Irap	Rate
(A) Profit (Loss) from current operations before tax	16.360		16.360	
(B) Income tax - Theoretical charge	4.499	27,50%	911	5,57%
Decreases in the tax base	31.238	27,50%	15.346	5,57%
Increases in the tax base	8.577	27,50%	3.909	5,57%
Taxable	-6.300		4.923	
Income Taxes - Effective Tax Burden	0	27,50%	-274	5,57%
Prepaid/deferred taxation	-1.572	27,50%	-510	5,57%
Total taxes	**-1.572**		**-784**	
Total tax	**-2.355**			
Effective rate	**-14,40%**			

PART D - Overall profitability

STATEMENT OF COMPREHENSIVE INCOME

	Entries	31/12/2024	31/12/2023
10	**Profit (loss) the year**	**14.005**	**22.075**
	Other Income Components without Recognition in the Profit and Loss Account		
20	Equity securities designated at fair value with impact on comprehensive income:	31	-92
	(a) changes in fair value	31	-92
	(b) transfer to other components of equity	0	0
30	Financial liabilities designated at fair value through profit or loss (changes in one's creditworthiness)	0	0
	(a) changes in fair value	0	0
	(b) transfer to other components of equity	0	0
40	Hedges of equity securities designated at fair value with impact on profitability total	0	0
	(a) changes in fair value (hedged instrument)	0	0
	(b) changes in fair value (hedging instrument)	0	0
50	Material activities	0	0
60	Intangible Assets	0	0
70	Defined benefit plans	-15	-69
80	Non-current assets and groups of assets held for sale	0	0
90	Quota of valuation reserves of equity-accounted investments	0	0
100	Income taxes on other income components without reversal to account economic	0	0
	Other income components with reversal to the profit and loss account		
110	Coverage of foreign investments:	0	0
	(a) changes in fair value	0	0
	b) reversal to profit and loss account	0	0
	(c) other changes	0	0
120	Exchange rate differences:	0	0
	(a) changes in value	0	0
	b) reversal to profit and loss account	0	0
	(c) other changes	0	0
130	Cash flow hedging:	0	0
	(a) changes in fair value	0	0
	b) reversal to profit and loss account	0	0
	(c) other changes	0	0
	of which: result net positions	0	0
140	Hedging instruments (non-designated items)	0	0
	(a) changes in fair value	0	0
	(b) reversal to profit and loss account:	0	0
	(c) other changes	0	0
150	Financial assets (other than equity securities) measured at fair value with impact on overall profitability:	5.603	12.675
	(a) changes in fair value	4.921	11.790
	(b) reversal to profit and loss account:	682	885
	- credit risk adjustments	0	0
	- realised gains/losses	682	885
	(c) other changes	0	0
160	Non-current assets and disposal groups held for sale:	0	0
	(a) changes in fair value	0	0
	b) reversal to profit and loss account	0	0
	(c) other changes	0	0
170	Quota of valuation reserves of equity-accounted investments	0	219
	(a) changes in fair value	0	0
	(b) reversal to profit and loss account:	0	0
	- impairment adjustments	0	0
	- realised gains/losses	0	0
	(c) other changes	0	219

	Entries	31/12/2024	31/12/2023
180	Income taxes on other income components with reversal to account economic	0	0
1G0	**Total other income components**	**5.620**	**12.733**
200	**Overall profitability (Item 10+ 1G0)**	**1G.625**	**34.807**

International accounting standards allow for financial instruments to be allocated to different portfolios to which accounting criteria are applied that result in costs or revenues being allocated directly to special equity reserves without going through the income statement. The statement makes it possible to appreciate the overall result by taking into account the income elements accrued and realised during the year that have been recognised directly in equity and neutralising the components that have already accrued and therefore recognised in equity in previous years but which are subject to a second and final recognition in the income statement (reversal) at the time of actual realisation.

PART E - Information on risks and related hedging policies

Foreword

The Bank conducts its activities in accordance with sound and prudent management criteria and with a low risk appetite, which is related to the need for stability in the banking business.
The overall risk appetite is measured in summary form through the identification, within the Bank's capital resources ('own funds'), of a capital component that is not allocated to risk-taking (unexpected losses), but is oriented towards supporting development in the medium to long term and the capital coverage of impacts upon the occurrence of unexpected stresses.
The Bank's System of Internal Controls ensures the implementation of corporate strategies and policies and consists of the set of rules, procedures and organisational structures aimed at ensuring compliance with the canons of sound and prudent management.
The Corporate Bodies are primarily responsible for ensuring, according to their specific competences, the completeness, adequacy, functionality and reliability of the Internal Control System.
The Bank has adopted a traditional governance model involving the Board of Directors, the Board of Statutory Auditors and the General Management.
The Board of Directors is responsible for the strategic supervision and management of the Bank, in which the Executive Board also participates, while the Control Function is assigned to the Board of Auditors.
The Board of Directors defines the business model through the approval of the strategic business plan and annual budgets, with an awareness of the risks to which this model exposes the Bank and an understanding of the ways in which risks are recognised and assessed. The Board of Directors, again within the guidelines established at Group level, defines and approves the strategic guidelines and provides for their periodic review, establishes the risk propensity and the relative tolerance thresholds, as well as the risk governance policies, ensuring that the Bank's structure is consistent with the activity performed and the business model adopted.
At least once a year, the Board of Directors approves the Group's 'Risk Appetite Framework (RAF)' and 'Corporate Risk Management Policies', which define risk propensity, tolerance thresholds, limits, and risk monitoring rules and methodologies. Within the framework of these documents, specific risk indicators with the relative attention thresholds are provided for at the level of the individual legal entity, identifying the functions responsible for the specific control mechanisms and providing for dedicated information flows. The Group's risk management system also includes the internal capital adequacy process (ICAAP) and the liquidity risk governance and management system (ILAAP).
The Board of Directors is supported by the Risk Committee, an intra-Board body that provides advice and makes proposals on risks and the internal control system.
The General Management has a full understanding of corporate risks, and is responsible for implementing the strategic guidelines and risk governance policies defined by the Board of Directors. In particular, it proposes operational limits to the assumption of the various types of risk, taking into account the stress tests conducted by the functions in charge, in accordance with the Bank's internal policies.
The General Management, with a view to facilitating the development and dissemination at all levels of a risk control culture, plans training programmes for the Bank's staff on the basis of proposals made. The Board of Auditors carries out periodic checks to ascertain completeness, adequacy, functionality and reliability of the Internal Control System.
In performing its duties, the Board of Statutory Auditors has adequate information flows from the other corporate bodies and control functions. The assiduous attendance of the Board of Statutory Auditors at Board meetings, which are held on a bi-weekly basis, is a guarantee that the Control Body is kept promptly informed of management events.
The sound and prudent management of banks is ensured by an adequate corporate organisation, including a comprehensive and functional system of internal controls.
In particular, the Bank's Internal Control System is articulated on three different levels:

- First-level (line) controls: aimed at ensuring the proper conduct of operations. They are carried out by operational structures or incorporated into procedures and information systems, or performed as part of back office activities.
- Second-level risk and compliance controls aimed at ensuring, alia:
    - the proper implementation of the risk management process;
    - compliance with the operational limits assigned to the various functions;
    - compliance company operations with standards, including self-regulatory ones.

Second-level controls are assigned by the organisational order to the Risk Management Service, the Compliance Service and the Anti-Money Laundering Service. The functions responsible for these controls are separate from the production functions; they contribute to the definition of risk governance policies and the risk management process.

- Third level controls (Internal Auditing): aimed at detecting violations of procedures and regulations, as well as periodically assessing the completeness, adequacy, functionality and reliability of the Internal Control System and the Information System.

The corporate control functions dealing with second- and third-level controls have authority, resources and expertise to perform their tasks.

The company organisational chart provides for hierarchical and functional reporting in accordance with the Supervisory Provisions
of the corporate control functions to the Board of Directors.

The control functions have access to all the Bank's activities, both at the central offices and at
peripheral structures, as well as to any information relevant to the performance of its tasks.

Pursuant to Law 231/01, there is a special Supervisory Board of a collegial nature that has the task of assessing the proper functioning of the organisational controls adopted by the Bank in order to avoid involvement in acts punishable under Law 231 of 2001.

Periodically reports, as established by the Organisational Model, to the Board of Directors
of the Institute.

The risks to which the Institute is or could be exposed are:

- Credit and Counterparty
- Market
- Operational
- CVA Credit Rating Adjustment Risk
- Concentration I Pillar
- Concentration
- Geo-sectoral concentration
- Interest rate (economic value)
- Interest rate (interest margin)
- Liquidity
- Excessive financial leverage
- Residue
- Country
- Transfer
- Base
- Securitisation (arising from)
- Strategic
- Sovereign
- Reputational
- Property valuation
- Exposures to shadow banking
- Conduct
- AML
- EN
- Physical Climatic Risks
- Transition Climate Risks
- Other Risks Social C Governance

The focus on climate and environmental risk management is of strategic importance. Consistent with the Bank Italy's 'Supervisory Expectations', the Bank has adopted an action plan that identifies the specific actions to be taken to implement the principles of sustainable finance. A project path aimed at the gradual integration of climate and environmental risks into the governance and control systems, the business model and corporate strategy, the organisational system and operating processes, in compliance with the supervisory expectations on climate and environmental risks, was launched some time ago. In order for the Board of Directors, first and foremost, and the organisational structure to effectively meet expectations, an annual training programme is planned, involving the members of Board of Directors and the Board of Auditors, the General Management and the heads of the main corporate functions.

The ESG Project is coordinated by a cross-functional working group, in which the Heads of Functions participate
Compliance, Risk Management, Finance Department, Credit Department and Organisation Function.

In addition, the 'Sustainability Committee' was set up, i.e. a management committee composed of the company's top , with the task of coordinating climate and environmental issues and supporting the Board of Directors in assessing and deepening sustainability strategies related to the Bank's operations. The ESG Initiatives Plan, approved by the Board of Directors in December 2022, and aimed at fostering progressive alignment with expectations in the areas of credit risk and investment services, is monitored quarterly by the Sustainability Committee for its implementation status.

The Bank, which belongs to a banking group classified, according to Bank of Italy Circular 285/2013, among Class 2 intermediaries, when measuring capital requirements for quantitative risks, adopt:
- for credit/counterparty risks and for market risks the Standardised Approach (TSA),
- for operational risks the basic method (BIA),
- for concentration risk and interest rate risk the simplified methodologies proposed respectively in Annex B and C/C bis of Bank Italy Circular 285/2013 and subsequent updates.

The Cambiano Banking Group, in compliance with the provisions of Pillar III, prepares the Public Disclosure, relating to the 2023 Consolidated Financial Statements, available at www.bancacambiano.it.

Section 1 - Credit Risk

Information of a qualitative nature

1. General Aspects

The Bank's strategies, Risk Appetite Framework, Faculties and Rules for Granting and Managing Credit are addressed:
– the achievement of a sustainable credit growth target consistent with risk appetite and value creation;
– portfolio diversification, limiting the concentration of exposures on individual counterparties/groups, on individual sectors of economic activity;
– an efficient selection of economic groups and individual borrowers, through a careful analysis of creditworthiness aimed at limiting the risk of insolvency;
– to give priority to credit interventions aimed at supporting real economy and the production system;
– the constant monitoring of relationships, carried out both by means of computerised procedures and by systematically monitoring positions, in order to promptly detect any symptoms of imbalance and promote corrective action to prevent the possible deterioration of the relationship.

The constant monitoring of the quality of the credit portfolio is pursued through adoption of precise operational modalities in all management phases of the fostering relationship.

The bank's lending activities are developed in line with the management guidelines of the Industrial Plan and aimed at the local economies articulated mainly in the retail, small business and small-medium enterprise markets. To a lesser extent, lending activities are aimed at the corporate market.

Factors that generate credit risk arise from the possibility that an expected change in the creditworthiness of a counterparty, to which an exposure exists, generates a corresponding unexpected change in the current value of the related credit exposure.

Credit risk is therefore not confined to the insolvency of a counterparty, but also includes the simple deterioration of its creditworthiness.

The assumption and management of credit risk is regulated by formalising the underlying process, detailing the role of the corporate bodies, operations of all parties involved, defining the first-level controls and making explicit the role of the control functions.

The Problem Loans Area, allocated under the Business Department, is composed of the "Litigation Management Function", the "Anomalous Performing Loans Management Function" and the "PD and UTP Loans Management Function". The Anomalous Loans Area manages, at a corporate level and according to the methods gradually established by internal regulations, individual anomalies and positions presenting anomalous situations, regardless of their classification as performing or non-performing, excluding non-performing loans, which are managed by the Litigation Management Function. It supports the Network in the performance of peripheral monitoring activities on individual anomalies and problem positions, as well as in the definition and implementation of corrective actions aimed at ensuring the smooth running of the credit process. This activity is aimed at favouring an anticipatory management of credit risk and the implementation of management strategies aimed at improving the Bank's credit quality.

Anomalous Performing Loans Function manages 'stage 2' positions.

The PD and UTP Credit Management Function manages positions already classified as impaired loans, and in particular manages impaired positions excluding Non-performing loans, ensures that the management of positions falling within its competence is carried out by adopting out-of-court measures suitable to safeguard the Bank's credit reasons an effective manner, and promotes any useful action to regularise the positions falling within its competence and to minimise expected losses.

The Litigation Management Function deals with the management of positions classified as non-performing, and in particular handles credit recovery activities both through extrajudicial activities, also conducted directly, and by following the activities carried out by external lawyers for the cases assigned to them, provides periodic references on the aggregate of non-performing positions and recovery forecasts, for non-performing loans, checks the appropriateness of lawyers' fees and activates every possible intervention (e.g. preparation of agreements, agreements on results, etc.) to minimise the costs of external professionals (lawyers, technicians, etc.), and handles activities connected with mediation procedures in the context of credit recovery. preparation of conventions, agreements on results, etc.) to minimise charges for external professionals (lawyers, technicians, etc.), takes care of activities connected with mediation procedures in the field of debt recovery.

The management of impaired loans is carried out on the basis of Service regulations as well as on the basis of the specific policy for the valuation of impaired loans.

The Credit Control Function on the staff of the Business Department oversees the credit risk monitoring process at the corporate level, in order to detect, also on a provisional basis, possible critical developments; this activity is carried out with a view to first-tier second-tier controls and with the intention of providing credit managers and the PD and UTP Credit Management Function with the necessary information for the necessary measures, as well as to Risk Management for the performance of second-tier checks on credit risks.

Within the framework of the risk management and assumption methods adopted, the first control is placed in the branch, both through constant and continuous dialogue with customers and by making use of internal and external information sources, also with the help of IT procedures.

During the preliminary investigation and credit review stages, the Bank analyses the customer's financial needs and the documentation required to make an adequate assessment of the borrower's creditworthiness. The decision to grant credit is therefore based both on the analysis of the complete set of information on the borrower and on direct knowledge of the customer and the economic context in which he operates. All preliminary activities inherent to the operating process, leading to the disbursement and periodic re-examination of the position, are developed with the aim of granting an adequate credit at the level of the individual borrower (and/or group), envisaging the most suitable technical forms of credit and a proper remuneration for the risk assumed.

The Board of Directors has defined, within the 'Credit Risk Regulations', the decision-making autonomy of each body delegated to grant credit. Compliance with the proxies authorised by the Board of Directors is guaranteed by the automatic controls provided for in the "Easy Loans" IT procedure with which the credit approval process is managed.

The Credit Process will be further revised in the financial year 2025, following the conclusion of the assessment, currently underway, on the process steps related to the monitoring and management of performing loans with early signs of anomalies.

2.2 Management, measurement and control systems

The credit risk management, measurement and control systems are developed in an organisational context that involves the entire credit process cycle, from the initial enquiry phase to the periodic review, up to the revocation and recovery phase.

The Bank also conducts quantitative and qualitative analyses for the purpose of measuring and periodically monitoring Credit Risk. In particular, quantitative evaluations make use of various instruments that provide information on the economic, financial and capital aspects of the client.

The Loans Area, which is under the Business Department, supervises and coordinates the operational phases of the performing credit process, carries out the preliminary investigation and decision-making phases within the scope of its delegated powers and performs the first-level controls for which it is responsible. The "Problem Loans Area", which is also under the Business Department, supervises and coordinates the operational phases of the non-performing credit process.

To support its activities, the Bank adopts specific procedures for the stages of appraisal/deliberation, renewal of lines credit and credit risk monitoring.

In these phases, the Bank uses qualitative-quantitative credit assessment methodologies supported by computer procedures subject to periodic verification and maintenance.

The investigation, approval and review of credit lines are governed by a deliberative process supported by the 'Easy Loans' PEF IT procedure, which allows the verification (by all the functions in charge of credit management) of the status of each position already entrusted or in the process of being entrusted, as well as the reconstruction of the related process through the tracking of the deliberative process and the types of analyses carried out.

In order to streamline procedures, two levels of review have been envisaged: one, a simplified type with reduced formalities, reserved for the renewal of exposures of limited amounts and with a regular pattern; the other, ordinary, for the remaining type of files.
The Early Management Function, within the Credit Area, has the objective of overseeing process of granting forbearance measures, in order to allow the effective identification of "economically sustainable" forbearance measures, as well as to ensure proactive management of the first signs of anomalies and weakness of the entrusted counterparty.
The definition of the criteria for the classification, evaluation and management of impaired positions and the methodologies for the performance control of credit risk also has as its objective the activation of a systematic control activity of the positions entrusted by the Credit Control Office in close collaboration with the branch structure.
This activity is supported by the IT procedure that allows the periodic extraction of all reports that may show symptoms of trend anomalies, both internal and external.
The constant monitoring of the reports provided by the procedure, together with the detection of events of a different nature, therefore makes it possible to intervene promptly when anomalous positions arise and to take appropriate action in cases of problematic credits.
All fiduciary positions are also subject periodic review, carried out for each individual counterparty or group of connected customers.
The second level checks are carried out by the Risk Manager; this function is expected to carry out controls aimed at ascertaining, on a periodic basis, that the granting of credit, the monitoring and classification of credit exposures, the recovery process and the determination of provisions for impaired loans are carried out in compliance with internal and supervisory regulations and that they are effective and reliable with regard to the ability to promptly report the emergence of anomalies and to ensure the adequacy of value adjustments and the related write-offs.
Credit risk, like other risks, is mapped in the RAF process, defined by specific objectives and tolerance thresholds; the Risk Management Function, therefore, carries out control activities on credit risk management by periodically monitoring and verifying compliance with the risk objectives, operating limits and risk indicators defined by the Board of Directors, according to the methods and timing defined in RAF Regulation and in the risk management processes.
The Function also provides prior opinions on the consistency with the RAF of major credit operations (so-called OMR), as defined in the specific regulation resolved by the Board of Directors, possibly acquiring, depending on the nature of the operation, the opinion of other functions involved in the risk management process. The entire process of credit and counterparty risk management (risk measurement, preliminary investigation, disbursement, performance control and monitoring of exposures, review of credit lines, classification of risk positions, intervention in the event of anomalies, classification criteria, evaluation and management of impaired exposures), is formalised in the institution's internal regulations.
We confirm the Bank's use of the "ordinal" credit rating management system which, in a nutshell, aims to assign an unambiguous rating to entrusted customers using qualitative and quantitative information in an integrated manner.
In this regard, it should be noted that the assessments resulting from the application constitute a limit to the use of credit proxies.
For the purposes of determining the minimum capital requirement for credit risk, the Bank adopts the standardised methodology.
With reference to the internal capital adequacy assessment process (ICAAP), the Bank uses the simplified algorithm known as the Granularity Adjustment. Granularity Adjustment (See Annex B, Title III, Chapter 1 Circ. 285/2013) to quantify internal capital against concentration risk for individual counterparties or groups of connected customers.
The Bank, as part of its ICAAP analysis, performs stress tests with reference to credit and concentration risks by means of sensitivity analyses that take the form of evaluating the effects of specific events on these risks. The Bank performs the stress test and, with specific reference to credit risk, redetermines the internal capital required against the new level of riskiness of the redefined loan portfolio on the basis of the possible increase in the incidence of impaired exposures on corporate loans. It also determines the impact on overall capital (Own Funds), deriving from the reduction in expected profit due to the increase in loan write-downs.
With regard to securities markets operations, the Bank's Finance Department performs evaluation and control activities both at the time of acquisition of financial instruments and at subsequent times, during which the composition of the sub-fund by asset class/ IAS/IFRS portfolio is periodically analysed, the level of specific or counterparty risk is identified and determined, and compliance with the limits and regulations is verified.

assigned powers. The results of these analyses are periodically discussed in the Finance Committee, in the context of which the Risk Management Function proposes its assessments in line with the Risk Appetite Framework.

2.3 Methods for measuring expected losses

The expected loss results from the product of exposure, probability of default and Loss Given Default.

IFRS 9 envisages a single impairment model, to be applied to financial assets measured at amortised cost and those measured at fair value through OCI (Other Comprehensive Income, i.e. equity) as well as to financial guarantees and loan commitments, characterised by a forward-looking view, which requires the immediate recognition of credit losses even if only expected.

The Bank's stage allocation model, which is based on a relationship-by-relationship logic, or tranche if a debt instrument, for the purpose of measuring the significant increase in credit risk from the date of initial recognition of the financial instrument to the valuation date, provides for the use of both qualitative and quantitative criteria.

More , the transition of a financial instrument from stage 1 to stage 2 is determined by the occurrence of a
of the following variables:

- variation in the probability of default used for internal management purposes. It is, therefore, an assessment using a "relative" criterion. The criterion was revised in July 2022, during the course of the inspection, and, in accordance with the current approach of the Bank's internal rating system, provides for Stage 2:
  - performing exposures with default risk at initial recognition date 1, 2, 3 or 4 for which a final classification of at least 10 was recorded;
  - performing exposures with default risk at the initial recognition date of 5 or 6 for which a "jump" of 6 classes of internal PD has been recorded;
  - performing exposures with default risk at the date of initial recognition of 7, 8, 9 or 10 for which a "jump" of 5 internal PD classes has been recorded;
  - performing exposures with default risk at the date of initial recognition equal to 11 for which a 'jump' of 4 classes of internal PD has been recorded.
- the possible presence of a past-due exposure that - without prejudice to the thresholds of significance identified by the regulations - has been so for at least 30 days. In the presence of such an event, in other words, the credit riskiness of the exposure is presumptively deemed to have 'significantly increased' and, therefore, a 'move' to stage 2 follows (where the exposure was previously included in stage 1);
- the possible presence of forbearance measures, which - again on a presumptive basis - result in the classification of exposures as those whose credit risk is 'significantly increased' compared to initial recognition;
- finally, some of the indicators of the credit monitoring systems specifically used are considered for the purposes of the transition between 'stages'. The reference, in particular, is to the so-called 'watch-list' positions, i.e. the positions subject to an observation regime in the face of individual evidence of criticality.

The Staging Allocation model is a symmetrical model, i.e. it provides for the transition from Stage 1 to Stage 2 and vice versa. In particular, if at the previous balance sheet date a financial instrument had been classified in Stage 2, but at the current balance sheet date it no longer meets the requirements for recognition of a provision equal to the expected losses over the life of the instrument, that position is reclassified to Stage 1. No specific criteria for remaining in Stage 2 are therefore applied, other than those inherent in the quantitative and qualitative parameters that determine staging (e.g. with reference to forborne exposures). As a result of the above, following the change in these parameters and the consequent reallocation to stage 1, it is not considered necessary to consider further time in stage 2, since the sustainability of the improvement in the client's creditworthiness is already assessed during the processes covered by the reference regulations of each staging parameter. For the purposes of allocating exposures to the different stages at the date of first application of the standard, performing exposures were classified in stages 1 and 2, unlike non-performing exposures which were allocated to stage 3.

With reference to the latter exposures, it is specified that the Bank is aligned with the definition in the Circular
No. 262/2005 of the Bank of Italy, i.e., they correspond to the sum of impaired past-due exposures, probable defaults and non-performing loans, as defined by current supervisory regulations.

The Bank's general approach to quantifying expected credit losses is to ensure
linkability regulatory risk parameters

Once the allocation of exposures to different stages of credit risk has been defined, the expected loss, which
represents an estimate of credit losses, weighted for the relative probability of occurrence, is

calculated over a time horizon of 12 months for claims classified in Stage 1 or over the entire expected residual life of the financial instrument for claims classified in Stage 2.
A similar valuation model is therefore adopted for all loans classified as Stage 1 and Stage 2, with the only distinguishing feature being the time horizon for estimating the expected loss. The following risk factors are considered in the valuation model:

- PD (Probability of Default) - probability of default, a parameter representing the probability of a counterparty to migrate from "performing" to "insolvent" status within time horizon of one year (Stage 1) or throughout the expected life of the financial instrument (Stage 2). The probability of insolvency is calculated on the basis of parameters determined internally by Banca Cambiano and subsequently proceeding to the inclusion of appropriate corrective elements to allow for the effects of the so-called forward-looking information relating to the macroeconomic reference scenarios to be considered;
- (Loss Given Default) - loss given default rate, a parameter that expresses in percentage terms the incidence of loss, net of recoveries, compared to the amount of past exposure to default, measured on the basis of appropriate internal modelling at Banca Cambiano. This parameter also includes expected direct recovery costs;
- EAD (Exposure at Default) - The treatment of EAD differs according to the type of exposure and maturity: "deterministic" amortisation schedule exposures with known cash flows and known maturity and "stochastic" exposures with unknown cash flows and/or unknown maturity. For exposures with a deterministic amortisation schedule, the EAD is defined using the amortisation schedule based on the evolution of contractual cash flows. On the other hand, exposures with an unknown amortisation schedule (e.g. non-accruals such as current accounts) are valued with an EAD calculated on the basis appropriate modelling that takes into account both the value of the "on balance" exposure and the "off balance" component considered as potentially risky in view of the possibility of the customer increasing its drawdowns.

In determining expected losses, all reasonable and demonstrable information available at the balance sheet date without undue cost or effort is considered. The information used shall consider past events, current conditions and forecasts of future economic conditions.

Inclusion of State Guarantees

Starting from the 2021 financial year, for loans activated under the public guarantees established with the emergency legislation, the Board of Directors, on the basis of a study conducted together with the IT outsourcer and with the assistance of the company KPMG, approved a new method for calculating impairment that takes into consideration the presence of the state guarantee, also in light of the relevance of such loans in the 2020-2021 financial years. In particular, for the portion assisted by a public guarantee, the PD and LGD parameters of the customer are replaced by those of the guarantor, i.e. the Italian State, while for the non-guaranteed portion, the customer's parameters continue to be used. The determination of the government-guaranteed portion also factors in the so-called residual risk, which was conservatively considered equal to 20%; therefore, in calculating the impairment, the guaranteed portion is reduced by that percentage[7].

Management overlays

As of 31 December 2023 and throughout the financial year 2024, given the uncertainty of the economic environment characterised by inflationary pressure and rising interest rates, the Risk Management Function identified a perimeter of positions most impacted by the economic situation, with the relative determination of the criteria for calculating management overlays, as detailed below:

- Individuals, joint ventures and sole proprietorships classified Stage 1 that had taken out variable-rate instalment loans before 2023 and that had average payment delays of at least five days during the year. On these positions, the determination of management overlays was based on the simulation of a risk class 'slippage' with the application of a write-down equal to what they would have had if they had been classified as Stage 2;
- private individuals, joint and sole proprietorships classified Stage 2 that had taken out variable-rate instalment loans before 2023 and that had average payment delays of at least one day during year. On these positions, the determination of management overlays was based on the simulation of a "slippage" of the risk class with the application of an impairment equal to that which they would have had if they had been classified as impaired (Stage 3);
- Financing secured commercial real estate on which, also in light of analyses conducted by the
ECB on the risks associated with exposures secured by this type of real estate, impairment losses are expected. At

[7] For example: in the case of 80% state guarantee, the exposure is considered 64% guaranteed (80%-20%*80%).

these positions, the determination of management overlays was based on the application of the Loss Given Default dedicated to unsecured positions instead of that dedicated to positions secured by real estate.
The determination of management overlays on corporate loans secured by commercial real estate, in particular, was based on the European Central Bank's industry report in which it found that commercial real estate transactions decreased by 47% in the first half of 2023 compared to the same period of previous year, and that the largest listed real estate owners are trading at a discount of more than 30% to net asset value.
The Risk Management Function conducted an analysis on the possible release of the add-ons introduced to deal with the risks arising from inflationary pressure and the rise in interest rates recorded at the end of the year 2023 and in the first months of 2024. For the year 2025, in fact, analysts expect a diametrically opposite economic scenario, in line with the decisions taken by the ECB Governing Council from the second half of 2024 onwards, which envisaged a decline in interest rates, with inflation gradually approaching the ECB's 2% target. The expected scenario of the rate curve for the whole of 2025 also presents a decreasing outlook.
A similar analysis was conducted for the add-on component related to exposures to companies secured by commercial real estate.
At its meeting on 19 December, the Board of Directors resolved to release the add-ons to cover the risks arising rising interest rates and inflationary pressure (amounting to€ 2.12 mln as at 31 December 2023) and, given the continuing signs of particular riskiness in the European real estate market for commercial collateral, also resolved to maintain the add-ons relating to exposures to companies secured by commercial real estate.
The maintenance of the identified management overlays led, with reference to the Bank's loan portfolio as at 31/12/2024, to an increase in impairment on Stage 1 of about€ 169 thousand and an increase in impairment on Stage 2 of about€ 359 thousand, resulting in a total add-on of € 528 thousand.
In light of the growing relevance in terms of the economic impact of climate and environmental risks, management overlays were determined to protect against these risks, as a first approach for the inclusion of the so-called ESG effects in the calculation of write-downs. It was therefore foreseen to include specific add-ons on the write-downs of the positions classified as Stage 1 and Stage 2 most impacted by physical and transition risk within the loan portfolio.
In particular:

- For physical risk, i.e., the risk of incurring financial losses from acute environmental events such as floods, hurricanes and heatwaves, or chronic changes such as rising sea levels or rising average temperatures, the Risk Management Function proposes to include a write-down add-on based on an increase in the Loss Given Default (LGD) rate for counterparties most impacted by such risk. The scope of application will include both real estate registered as company headquarters and positions backed by real estate collateral.
- for transition risk, that is, the risk of incurring potential negative effects from the transition process to a low-carbon economy, given that the companies most exposed to this risk could suffer increased operating costs, reduced demand for their products or services, or increased difficulty accessing credit, the Risk Management Function proposes to include an impairment add-on to reflect the increased probability of default of counterparties most affected by transition risks.

The introduction of the management overlays on climate and environmental risks resulted, with reference to the Bank's loan portfolio as at 31/12/2024, in an increase in impairment on Stage 1 of about € 694 thousand and an increase in impairment on Stage 2 of about € 1.42 million.
The total amount of add-ons applied on the Bank's loan portfolio at the reference date of 31/12/2024 therefore amounted to € 2.65 million, divided into € 863 thousand on Stage 1 and € 1.78 million on Stage 2. In addition to the impact on write-downs of the application of the add-on criteria outlined above, it is necessary to consider the integration of the effects due to the updated macroeconomic scenarios based on the most recent projections published by the Bank Italy (so-called Forward Looking components) reference to December 2024. These updates led to an increase in impairment losses of € 968 thousand on performing positions and € 567 thousand on non-performing positions.

2.4 Credit risk mitigation techniques

The main levers for mitigating credit risk are the system of guarantees that back credit exposures, a low degree of concentration with respect to borrowing counterparties, and an adequate level of diversification of loans by type of credit and product sectors.

In particular, with reference to concentration risk, it should be noted that the Bank has established, as part of its "credit policies", a series of limits on credit exposures to individual counterparties or groups of connected counterparties and to counterparties belonging to the same economic sector. These limits are constantly monitored by the Risk Management Service.
Guarantee management and related operational processes are formalised in the Bank's internal regulatory framework. The way guarantees are managed is integrated into the information system, from which the main information related to them can be deduced.
In order to mitigate credit risk, the Bank uses collateral and personal guarantees. In particular, the main types of collateral used are real estate mortgage guarantees and financial collateral. The IT management system makes it possible to effectively oversee the entire process of acquiring, evaluating, verifying and realising mortgage guarantees, identifying all the inherent information. The procedure also allows the periodic updating of the 'current' value of the guarantee itself and the control of the consistency of the value of the guarantee with respect to the approved risk. The relationship between the loan and the value of the guaranteed property is constantly monitored for appropriate precautionary measures in the event of any downturn in the real estate market.
Organisational processes and operational guidelines applied to the pledge of financial instruments protect claims
by fluctuations in securities market prices.
Personal guarantees consist mainly of sureties issued by individuals and companies. Also of note is the use of guarantees issued by specialised entities (e.g. Confidi) and financial institutions (e.g. State guarantees through Mediocredito Centrale pursuant to Law 662/1996) and, most recently, State guarantees issued following the crisis triggered by the Covid-19 pandemic.
To date, the Bank does not use credit derivatives to hedge or transfer risk against the loans in its portfolio.
The presence of collateral or personal guarantees is reflected in the quantification of balance sheet ECLs.
With regard to collective assessments, the main "transmission" channel is LGD, one of the input parameters used for the assessments. For this purpose, each exposure is divided into tranches, determined according to the different types of collateral backing the exposure, and a specific LGD is calculated for each tranche.
With regard to analytical valuations, the presence and updating of the value collateral is directly reflected in the case of a "gone concern" valuation approach, applied, above certain thresholds of amount, to all non-performing loans as well as to probable defaults where a going concern scenario is excluded or where the partiality and lack of reliability of the company's business plans do not allow for a plausible estimate of the company's ability to honour the debt through the cash flows generated by the business activity (going concern approach). In the gone concern approach, specific haircuts are applied, which contain estimates derived from the real estate adjudications.
The audits in question are carried out by centralised structures separate from those that grant and review credit; the Internal Auditing Department, through periodic checks, ensures that the activities are managed correctly and prudently.

3. Impaired credit exposures

3.1 Management strategies and policies

On 27 March 2024, the Board of Directors approved the update of the NPL Business Plan (2024- 2026), made on the basis of the Bank Italy's Guidelines on impaired loans, which was sent to the Bank of Italy on 31 March 2024.
In March 2025, consistent with what was outlined in the 2025-2029 Strategic Plan approved by the Board of Directors on 29 January 2025, the Group's NPL Operating Plan (2025- 2029) was again updated.
In the 2025-2029 NPL Operational Plan, the strengthening of the de-risking policy represents the First Pillar, with which the Bank aims to limit the weight of impaired loans on total loans. Over the Plan's horizon, the Bank is expected to reduce the gross weight of impaired loans on total loans from 7.07% in 2024 to the 5.42% planned for 2029, including through a de-risking plan cadenced over the three Plan years.
In the 2024 financial year, the ratio of impaired loans to total loans decreased from 7.53% to 7.07% to the completion of the sale transaction concluded in December 2024. In particular, on 18/12/2024, the transaction for the subscription of units of the alternative investment fund ("FIA") named "Fondo Persefone", established by PCG SGR S.p.A, through the contribution in kind of the right to receive the purchase price of € 17.99 mln resulting from the sale of a portfolio of loans classified mainly as "probable defaults" for a countervalue of€ 27.86 mln, and write-down of€ 9.59 mln, to the vehicle company Caleen SPV. The loss on sale, recorded under item 100 a) of the income statement, "Profits

(losses) on disposal or repurchase of: financial assets measured at amortised cost' amounted to€ 570 thousand.
Impaired financial assets include loans that have been assigned the status of non-performing, probable default or past-due/overdrawn for more than 90 days according to Bank of Italy rules, consistent with IAS/IFRS and European Supervisory regulations. The definition of impaired loans as defined by the Bank of Italy in Circular 272 of 2008 (and subsequent updates) also converges with the definition of "impaired" financial assets contained IFRS9, resulting in the recognition of all impaired loans under Stage 3. During 2015, the 7th update of the Bank Italy Circular No. 272/2008 was issued, which revised the previous classifications of impaired loans and introduced the concept of exposures subject to concessions (so-called "forbearance"), incorporating the definitions introduced by the Implementing Technical Standards (ITS for short) issued by the European Banking Authority (EBA). The purpose of the update is to reduce the existing discretionary margins in the accounting and prudential definitions applied in different countries, as well as to facilitate EU-wide comparability of data.
In particular, the regulations require that both performing loans and impaired loans be identified by defining the categories 'Forborne performing exposures' and Non-performing exposures with forbearance measures' respectively.
The legislation defines 'forbearance measures' as modifications of the original contractual terms and conditions, or the refinancing of all or part of the debt, which are granted to a debtor that is experiencing, or is about to experience difficulties in meeting its financial commitments.
In classifying impaired loans, the Bank has also implemented the changes to the definitions introduced by the 7th Update of Bank of Italy Circular No. 272/2008. Specifically, impaired financial assets are broken down into the categories non-performing loans, probable defaults, and impaired past-due and/or overdrawn exposures, according to the following rules:

- **Non-performing loans:** all cash and off-balance sheet exposures to a party in a state of insolvency (even if not judicially ascertained) or in substantially similar situations, irrespective of any loss projections made by the bank.
- **Probable defaults ("Unlikely to pay"):** Classification in this category is, first and foremost, the result of the bank's judgment as to the unlikelihood that, without recourse to actions such as the enforcement of collateral, the borrower will fulfil its credit obligations in full (in principal and/or interest). This assessment must be made independently of the presence of any overdue and unpaid amounts (or instalments). It is therefore not necessary to wait for the explicit symptom of an abnormality (non-repayment), where there are elements that imply a situation of risk of default by the debtor (e.g. a crisis in the industrial sector in which the debtor operates).
- **Impaired past due and/or in arrears** exposures**:** cash exposures, other than those classified as non-performing or likely to default, that are past due or in arrears for more than 90 days at the reporting date.

In this regard, it should be noted that, as of 1 January 2021, the application of the New Definition of Default ("DoD"), resulting from the implementation of the "RTS on the materiality threshold for credit obligations past due under Article 178 of the CRR (EU Delegated Regulation 2018/171) and the related EBA Guidelines on the application of the definition of default under Article 178 of the CRR, became mandatory for regulatory purposes.
The aforementioned legislation, while confirming the basis of default in late payment and probable default of the debtor, introduces some more stringent criteria for the identification of impaired positions and the subsequent return to performing status. In particular, the New Definition of Default establishes the criteria for the identification of overdue positions, the method of managing the indicators to be considered for the identification of probable default, the specific aspects of retail exposures and the criteria for the return of a position to performing status.
In detail, the main changes introduced compared to the previously applicable legislation concern the following areas:

- new definition of past two:
    - lowering of the "relative" materiality threshold from 5% to 1% (threshold calculated as the ratio of overdue and/or overdrawn amount to customer's total exposure, both determined at the Banking Group level without offsetting with any available margins of other credit lines);
    - Introduction of an 'absolute' materiality threshold differentiated by exposure type (EUR 100 for retail and EUR 500 for non-retail, to be compared with the debtor's total past-due and/or overdue amount);

- o classification of a debtor in default (NPE) when both thresholds of relevance for 90 consecutive days;

• Introduction of an observation period of at least three months prior to reclassification as performing for debtors previously classified as defaulted (Non-Performing Exposure) who regularise their position;
• classification of a debtor in default in a homogeneous manner at the Banking Group level, i.e. on all credit obligations outstanding with Group companies;
• classification of the debtor in a state of default if the onerous restructuring implies a reduced financial obligation of more than 1% compared to the previous one (i.e. Δ NPV > 1%);
• Introduction of new propagation/assessment rules for the propagation of the default status of a position on the basis of the existing link with other positions that have passed into non-performing status;
• inability of the bank to set off overdue/underdrawn amounts existing on some of the borrower's credit lines against other credit lines opened and not used by the borrower (so-called available margins).

The criteria introduced by the supervisory regulations had an impact on the accounting classification of impaired credit exposures (Stage 3), as the supervisory regulations are considered to be consistent with the accounting regulations IFRS 9, in terms of objective evidence of impairment.
Within the three categories of impaired loans, non-performing exposures with forbearance measures are identified in accordance with the regulations.
The qualification 'forborne non-performing' therefore does not represent a signalling category in its own right within the context of impaired loans, but rather constitutes an additional cross-categorisation of the three categories mentioned above.
Information impaired exposures is integrated into the information system with the help of specific tools that support its management and highlight its status.
The Credit Control Function, on the basis of the specific anomaly indices detected both with the IT procedures and on the basis of internal assessments, in light of the provisions of the specific internal regulations governing the process of classification of credit positions and changes in the related "status", monitors the risk classification of positions and formulates proposals to the competent Structures for any changes in status or for the sizing of loss forecasts.
Within the framework of performing positions, the Bank has defined, for management purposes, the subcategories Bonis C (watch list), Bonis D (forborne performing positions under probation) and Bonis E (forborne performing under probation, ex cure period), in which are classified the exposures that show a not fully regular performance of the credit relationship.
The PD and UTP Credit Management Function is in charge of managing positions classified as impaired and at probable default, promoting initiatives aimed at protecting the Bank's claims.
Non-performing files are managed by the Litigation Department, which assesses the actions to be taken to maximise debt recovery, including taking action against any guarantors and enforcing possible guarantees.
The assessment of the collectability of impaired loans is based on the criteria defined by the Board of Directors contained in the specific valuation policy last updated on 25 September 2023.
Positions classified as Stage 3 are classified into different risk states and accordingly subject to analytical or lump-sum valuation. Value adjustments on Stage 3 exposures reflect the expected loss calculated over a time horizon equal to the entire duration of the related exposure. The Bank, as part of its valuation policies, has made use of valuation processes and methods characterised by subjectivity and the estimation of certain variables such as, principally, expected cash flows, expected recovery times and the presumed realisable value of guarantees, where present, the change in which may lead to a change in the final recoverable value; this determination was based on the use of information available at the valuation date, taking due account of the possible effects of the pandemic crisis. Impaired exposures not classified as non-performing for amounts below a predetermined threshold, for which no objective evidence of loss was identified, were subjected to the lump-sum valuation, which provides for the statistical determination of the expected loss and therefore of the related value adjustments for homogeneous categories exposures (defined according to counterparty segment and technical form).
The analytical write-down, however, must still be carried out whenever objective events of degradation that timely analysis.
In particular, in relation to the concept of materiality referred to by current accounting standards, impaired past-due exposures and probable defaults individually below the materiality threshold of €300,000 were subject to impairment using a lump-sum method.

The valuation of exposures classified as non-performing is updated periodically to allow for the timely incorporation in the accounts of all events that may change the prospects for credit recovery.
The valuation of non-performing loans is carried out in an analytical manner, i.e. on the basis of an accurate recognition of the recoverability of the individual positions entrusted, taking into account all elements useful for the purpose of defining the recovery expectation.
The valuation of exposures classified as likely to default is updated periodically so as to allow for the timely recognition of any events that may change the prospects for recovery of the loans, as well as to ascertain whether the conditions for their transfer to non-performing status are met.
On this category, value adjustments are made:

- for positions above€ 300,000 analytically;
- for positions less than or equal to the threshold of € 300,000, for which no objective evidence of loss is identified, using a lump-sum method for homogeneous types of exposure.

The purpose of the assessment is to determine any expected losses, bearing in mind, however, that positions are classified in this risk class on the basis of the Bank's judgement as to the unlikelihood that, without recourse to actions such as the enforcement of guarantees, the debtor will fulfil its credit obligations in full; as is well known, this assessment is to be made independently of the presence of any amounts (or instalments) that are overdue or not.
Therefore, in the case of a position classified as a probable default, the estimate of the estimated realisable value of the receivable is made by assessing the debtor's ability to meet its obligations, measured on the basis of all available information on the debtor's financial and economic situation and the value of any existing collateral securing the receivables.
The recoverable amount is determined, depending on the recovery strategy envisaged (distinguishing between "continuing" and "discontinued" operations), which reflects the overall riskiness, by assessing the ability to generate cash flows adequate to repay the exposure and/or on the mere enforcement of guarantees.
For positions below or equal to the threshold of€ 300,000, for which no objective evidence of
loss, the impairment is made on a lump-sum basis for homogeneous types of exposures.
Positions classified as past due, for which no objective evidence of loss is identified, are
subject to valuation using the lump-sum method for homogeneous exposure types.
The valuation carried out on a lump-sum basis provides for the statistical determination of the expected loss and thus of the corresponding value adjustments.

3.2 Write-off

With regard to impaired loans, the Bank resorts to the write-off/cancellation - in whole or in part - of uncollectable accounting items (so-called write-off) and proceeds to the consequent allocation to losses of the residue not yet adjusted in the following cases

a) irretrievability of the claim, resulting from certain and precise elements (such as, by way of example, the debtor's untraceability and nullity, non-recoveries from movable and real estate executions, negative attachments, bankruptcy proceedings closed with not complete relief for the Bank, if there are no further enforceable guarantees, etc.);
b) waiver of the claim, as a result of unilateral debt forgiveness or residual debt under settlement agreements;
c) assignments of credit.

In some circumstances, it is also necessary to carry out partial write-offs of gross receivables in order to adjust them to the Bank's actual claims. Such circumstances arise, for example, in the case of uncontested orders, within the framework of bankruptcy proceedings, on the basis of which a claim is recognised that is lower than the one recognised.
In addition, the Bank, on an annual basis, has provided for the possibility of defining portfolios of non-performing loans to be subject to total or partial write-off having the following macro characteristics together:

- coverage percentage> 95%
- seniority (understood as the period of permanence in the "non-performing" status) averaging more than 6 years. In the financial year 2024, write-offs were resolved nonperforming positions not sold for€ 12.13 million.

3.3 Impaired financial assets acquired or originated

According to IFRS 9, loans that are already considered impaired upon initial recognition in the financial statements, due to the associated high credit risk, are defined as Purchased or Originated Credit Impaired Assets (POCI). These loans, if they fall within the scope of application of impairment under IFRS9, are measured by setting aside - from the date of initial recognition - provisions for losses covering the entire life of the loan.

residual life of the loan (so-called Expected Credit Loss lifetime). Since these are impaired loans, they are initially recognised in Stage 3, without prejudice to the possibility of being moved to Stage 2 during their lifetime , on the basis of credit risk analysis, they are no longer impaired.
The Bank identifies acquired or originated impaired financial assets as 'impaired financial assets':
• credit exposures already impaired the time of purchase e;
• credit exposures originated in the case of restructuring transactions of impaired exposures that resulted in the provision of new finance, or introduced material changes to the original contractual terms.

4. Financial assets subject to trade renegotiations and exposures subject to concessions
On 27/01/2020, the new Policy for the Management of Exposures Subject to Concessions (Forbearance Policy) was approved, most recently updated at the Board of Directors' meeting of 27/10/2022.
The regulations adopted by the Bank provide for demarcation lines between renegotiation measures of the nature commercial and granting interventions on existing credit relationships (so-called forbearance measures).
The character of commercial renegotiations consists in the aim of consolidating the relationship with the borrowing counterparty, which, upon thorough verification, proves to be capable of fulfilling its original financial obligations on time.
A forbearance measure, on the other hand, is represented by a change in the contractual terms in favour of debtor customers who, even due to events of a temporary nature, are no longer able to meet their initially agreed financial obligations. The ascertained financial difficulty therefore constitutes a decisive requisite to qualify, as forbearance intervention, changes in the value, timing and terms of debt repayment. Any objective elements anomalous credit exposure detected by the system support the manager in the subjective (judgemental) assessment of the client. The objective financial difficulty is always subject to a subsequent subjective assessment, resulting in possible confirmation or exclusion of the customer's financial difficulty. The subjective assessment is in any case carried out independently of the detection of actual objective anomalies.
Financial distress is assumed to be proven if the counterparty is classified as a
non-performing.
The approval of a concession:

- involves the completion of procedures that involve an assessment aimed at verifying whether the concession can be effective in re-establishing the debtor's autonomous regular conduct, without the need for further support by returning the exposure to a sustainable repayment situation and, in the case of non-performing exposures, with key objective of laying the foundations for a return to performing status. The analysis performed consists of several stages that process information of both an objective and subjective nature;
- entails the attribution of forborne status to the relationship affected by this measure. A performing counterparty that receives a concession may retain that administrative status. However, the constraint will have to be respected for as long as the credit relationship affected by the concession retains the forborne status.

Upon completion of the concession, an observation period called, depending on the case, Probation Period (two years for forborne performing exposures) and Cure Period (one year for forborne non-performing exposures) is initiated. At the end of these time periods, only if the borrower's behaviour is effectively regular and the conditions set out in the relevant regulations are met, may the possibility of an improvement in the status classification be assessed or, in the case of performing exposures, the removal of the forborne attribute may be considered.
Given the above, it is specified that the characteristics of the contractual changes granted to customers, where they are considered "substantial", based on the differentiation between changes of a commercial nature and changes deriving from *forberance* measures, may result in the derecognition of the financial asset from the financial statements and the re-recognition of a new asset (so-called "derecognition accounting"). In this situation and with specific reference to those positions that pass the SPPI test, the Bank, for the purposes of impairment, considers the date of first recognition to be the date on which the change in the asset occurs. On the contrary, in the case of contractual changes considered "non-substantial" and therefore not subject to "derecognition accounting", for the purposes of impairment, the date of first recognition is considered to be the date on which the instrument was originated.

Quantitative information
Impaired loans to customers valued at amortised cost of Banca Cambiano 1884 S.p.A. amount gross value of €206.3 million, to which specific value adjustments of€ 90.4 million are associated, resulting in a net value of €115.9 million.

The coverage ratio of impaired loans to customers measured at amortised cost 31 December 2024 was 40.5%. In particular, the above-mentioned impaired loans, classified in accordance with the provisions of international accounting standard IFRS 9 "Financial Instruments" in the so-called "third stage", include non-performing loans for a net value of € 45.7 million, with a coverage ratio of 53.5%, and probable defaults for a net value of € 73.2 million, with a coverage ratio of 34.05%.
Non-impaired loans to customers valued at amortised cost of Banca Cambiano 1884 S.p.A. amount to a gross value of€ 2,710.7 million, to which portfolio adjustments of€ 16.4 million are associated with a consequent net value of € 2,694.3 million, showing a coverage ratio of 0.60%. Among them, loans to customers for non-impaired loans at higher risk, classified in the so-called "second stage", amounted to €285.2 million gross with a coverage ratio of 3.09%.

Quantitative information on the Bank's loan portfolio is set out below.

A. Quality of credit

A.1 Impaired and non-impaired credit exposures: outstanding amounts, value adjustments, dynamics and economic distribution

A.1.1 Distribution of financial assets by portfolio and credit quality (values of budget)

Portfolios/quality	Non-performing loans	Probable defaults	Impaired past due exposures	Non-impaired past due exposures	Other non impaired	Total 31/12/2024
1. Financial assets measured at amortised cost	34.504	68.650	12.733	35.324	3.426.875	3.578.086
2. Financial assets measured at fair value with impact on profitability total	0	0	0	0	158.765	158.765
3. Financial assets designated at fair value value	0	0	0	0	0	0
4. Mandatory financial assets measured at fair value value	0	0	0	0	99.004	99.004
5. Financial assets in course of divestment	0	0	0	0	0	0
Total 31/12/2024	**34.504**	**68.650**	**12.733**	**35.324**	**3.684.644**	**3.835.855**
Total 31/12/2023	**47.750**	**81.805**	**14.386**	**57.127**	**3.833.203**	**4.034.271**

Notes:
The table shows the classification by credit quality of the entire portfolio of financial assets, with the exclusion of equity securities and O.I.C.R. units amounting to 50,807 mgl.
The values shown are those in the balance sheet, therefore net of the relevant write-downs.

A.1.2 Distribution of financial assets by portfolio and credit quality (gross and net values)

Portfolios/quality	Deteriorate				Not deteriorated			Total (net exposure)
	Gross exposure	Value Adjustments total	Net exposure	Partial write-offs total	Gross exposure	Total value adjustments	Net exposure	
1. Financial assets measured at cost damped	206.327	90.439	115.887	1.200	3.478.780	16.582	3.462.198	**3.578.086**
2. Financial assets measured at fair value with impact on profitability total	0	0	0	0	158.805	40	158.765	**158.765**
3. Financial assets designated at fair value value	0	0	0	0	0	0	0	**0**
4. Mandatory financial assets measured at fair value	0	0	0	0	0	0	99.004	**GG.004**
5. Financial assets in course of divestment	0	0	0	0	0	0	0	**0**
Total 31/12/2024	**206.327**	**G0.43G**	**115.887**		**3.637.585**	**16.622**	**3.71G.G67**	**3.835.855**
Total 31/12/2023	**236.773**	**G2.831**	**143.G41**	**0**	**3.835.385**	**16.G1G**	**3.8G0.330**	**4.034.271**

Notes:

The table shows the classification by credit quality of the entire portfolio of financial assets, with the exclusion of equity securities and O.I.C.R. units amounting to 50,807 mgl.

A.1.2 bis Breakdown of credit exposures by low-quality assets

Quality wallets	Clearly poor quality activities credit		Other Activities
	Capital losses cumulate	Net exposure	Net exposure
1. Financial assets held for trading	0	0	86.465
2. Hedging derivatives	0	0	0
Total 31/12/2024	**0**	**0**	**86.465**
Total 31/12/2023	**0**	**0**	**84.560**

A.1.3 Distribution of financial assets by maturity bands (book values)

Portfolios/Risk Stages	First stage			Second stage			Third stage			Impaired acquired or originate		
	1 to 30 days	Over 30 days up to G0 days	Over G0 days	1 to 30 days	For more than 30 days up to G0 days	Beyond G0 days	From 1 to 30 days	For more than 30 days up to G0 days	Over G0 days	From 1 to 30 days	Over 30 days up to G0 days	Beyond G0 days
1. Financial assets measured at cost damped	4.834	0	0	10.474	13.372	6.643	4.296	4.683	72.403	17	0	960
2. Financial assets measured at fair value with impact on profitability total	0	0	0	0	0	0	0	0	0	0	0	0
3. Financial assets in divestment course	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL 31/12/2024	**4.834**	**0**	**0**	**10.474**	**13.372**	**6.643**	**4.2G6**	**4.683**	**72.403**	**17**	**0**	**G60**
TOTAL 31/12/2023	**16.223**	**0**	**0**	**12.704**	**1G.605**	**642**	**5.867**	**4.143**	**86.181**	**0**	**1.208**	**41**

Notes
The values shown in cash are those in the balance sheet net of the related doubtful outcomes

A.1.4 Financial Assets, Commitments to Disburse Funds and Financial Guarantees Issued: Changes in Adjustments total value adjustments and total provisions - Part 1

Causes/stages of risk	Total value adjustments					
	Stage 1 activities					
	Due from banks and central banks a view	AF valued at amortised cost	FA measured at fair value with impact on comprehensive income	AF being divested	of which: individual write-downs	of which: collective impairments
Initial total adjustments	**0**	**7.G71**	**261**	**0**	**447**	**7.784**
Increases from assets finances acquired or originated	0	0	0	0	0	0
Cancellations other than write-offs	0	0	0	0	0	0
Net value adjustments/reversals for credit risk (+/-)	0	-201	-221	0	-217	-204
Contractual changes without cancellations	0	0	0	0	0	0
Changes in the methodology of estimate	0	0	0	0	0	0
Write-offs not directly detected at profit and loss account	0	0	0	0	0	0
Other variations	0	0	0	0	0	0
Total final adjustments	**0**	**7.770**	**40**	**0**	**230**	**7.580**
Recoveries on assets financial assets subject to write-off	**0**	**0**	**0**	**0**	**0**	**0**
Write-offs detected directly at profit and loss account	**0**	**0**	**0**	**0**	**0**	**0**

A.1.4 Financial Assets, Commitments to Disburse Funds and Financial Guarantees Issued: Changes in Adjustments
total value adjustments and total provisions - Part 2

Causes/stages of risk	Total value adjustments					
	Stage 2 activities					
	Due from banks and central banks a view	AF valued at amortised cost	FA measured at fair value with impact on comprehensive income	AF being divested	of which: individual write-downs	of which: collective impairments
Initial total adjustments	**0**	**8.675**	**6**	**0**	**76**	**8.605**
Increases from assets finances acquired or originated	0	0	0	0	0	0
Cancellations other than write-offs	0	0	0	0	0	0
Net value adjustments/write-backs for credit risk (+/-)	0	135	-6	0	-67	196
Contractual changes without cancellations	0	0	0	0	0	0
Changes in the methodology of estimate	0	0	0	0	0	0
Write-offs not directly detected at profit and loss account	0	0	0	0	0	0
Other variations	0	0	0	0	0	0
Total final adjustments	**0**	**8.810**	**0**	**0**	**G**	**8.801**
Recoveries on assets financial assets subject to write-off	**0**	**0**	**0**	**0**	**0**	**0**
Write-offs detected directly at profit and loss account	**0**	**0**	**0**	**0**	**0**	**0**

A.1.4 Financial Assets, Commitments to Disburse Funds and Financial Guarantees Issued: Changes in Adjustments
total value adjustments and total provisions - Part 3

Causes/stages of risk	Total value adjustments					
	Stage 3 activities					
	Loans and advances to banks and central banks on demand	AF valued at amortised cost	FA measured at fair value with impact on profitability total	AF being divested	of which: individual write-downs	of which: collective impairments
Initial total adjustments	**0**	**G2.831**	**0**	**0**	**G2.831**	**0**
Increases from financial assets acquired or originated	0	0	0	0	0	0
Cancellations other than write-offs	0	0	0	0	0	0
Net value adjustments/reversals for risk of credit (+/-)	0	24.636	0	0	24.636	0
Contractual changes without cancellation	0	0	0	0	0	0
Changes in estimation methodology	0	0	0	0	0	0
Write-offs not recognised directly in the account economic	0	-15.568	0	0	-15.568	0
Other variations	0	-13.497	0	0	-13.497	0
Total final adjustments	**0**	**88.403**	**0**	**0**	**88.403**	**0**
Recoveries from collections on financial assets object of write-off	**0**	**0**	**0**	**0**	**0**	**0**
Write-offs recognised directly in the account economic	**0**	**0**	**0**	**0**	**0**	**0**

A.1.4 Financial Assets, Commitments to Disburse Funds and Financial Guarantees Issued: Changes in Adjustments
total value adjustments and total provisions - Part 4

Causes/stages of risk	Total value adjustments				
	Impaired financial assets acquired or originated				
	AF valued at amortised cost	FA measured at fair value with impact on profitability total	AF being divested	of which: individual write-downs	of which: collective impairments
Initial total adjustments	**1.3G5**	**0**	**0**	**1.38G**	**7**
Increases from financial assets acquired or originated	0	0	0	0	0
Cancellations other than write-offs	0	0	0	0	0
Net value adjustments/write-backs for credit risk (+/-)	644	0	0	648	-4
Contractual changes without cancellation	0	0	0	0	0
Changes in estimation methodology	0	0	0	0	0
Write-offs not recognised directly in the profit and loss account	0	0	0	0	0
Other variations	0	0	0	0	0
Total final adjustments	**2.03G**	**0**	**0**	**2.037**	**2**
Recoveries from collections on financial assets subject to write-off	**0**	**0**	**0**	**0**	**0**
Write-offs recognised directly in the profit and loss account	**0**	**0**	**0**	**0**	**0**

A.1.4 Financial Assets, Commitments to Disburse Funds and Financial Guarantees Issued: Changes in Adjustments
total value adjustments and total provisions - Part 5

Causes/stages of risk	Total provisions on commitments to disburse funds and financial guarantees issued			Total
	First stage	According to stadium	Third stage	
Initial total adjustments	**265**	**38**	**1.7G6**	**113.238**
Increases from financial assets acquired or originate	0	0	0	0
Cancellations other than write-offs	0	0	0	0
Net value adjustments/write-backs for credit risk (+/-)	-24	-13	323	25.273
Contractual changes without cancellation	0	0	0	0
Changes in estimation methodology	0	0	0	0
Write-offs not recognised directly in the profit and loss account	0	0	0	-15.568
Other variations	0	0	0	-13.497
Total final adjustments	**242**	**25**	**2.11G**	**10G.446**
Recoveries from collections on financial assets subject to write-off	**0**	**0**	**0**	**0**
Write-offs recognised directly in the profit and loss account	**0**	**0**	**0**	**0**

A.1.5 Financial Assets, Commitments to Disburse Funds and Financial Guarantees Issued: Transfers Between Different
risk stages (gross and nominal values)

Portfolios/risk stages	Gross values / Nominal value					
	Transfers between first stage and second stage		Transfers between second stage and third stage		Transfers between first stage and third stage	
	1st stage to 2nd stage	From 2nd stage to 1st stage	From 2nd stage to 3rd stage	From 3rd stage a 2° stadium	From 1st stage to 3rd stage	From 3rd stage to 1st stage
1. Financial assets measured at amortised cost	109.494	80.971	19.239	1.968	15.081	264
2. Financial assets measured at fair value with impact on overall profitability	0	4.800	0	0	0	0
3. Financial assets in course of divestment	0	0	0	0	0	0
4. Commitments to disburse funds and financial guarantees given	32.123	19.339	18.108	153	13.312	231
Total 31/12/2024	**141.617**	**105.110**	**37.347**	**2.121**	**28.3G3**	**4G5**
Total 31/12/2023	**147.813**	**101.554**	**18.550**	**3.145**	**16.404**	**2.015**

Notes:

Stage transfers include flows recorded for loans measured at amortised cost outstanding at the balance sheet date that constitute new liquidity provided through public guarantee mechanisms issued against the COVID-19 framework, in the form of 'New Loans'. The stage transfers made during the year are shown in the table below:

Transfer of internships	Gross values
1 to 2	16.750
2 to 1	18.281
1 to 3	7.201
3 to 1	73
2 to 3	4.757
3 to 2	22

A.1.6 Cash and off-balance sheet credit exposures to banks: gross and net values

Exposure types/values	Gross exposure					Total value adjustments and total provisions					Net exposure	Overall partial write-offs (*)
		First stage	Second stage	Third stage	Impaired acquired or originate		First stage	Second stage	Third stage	Impaired acquired or originate		
A. On-balance-sheet credit exposures												
A.1 A view	115.895	115.895	0	0	0	0	0	0	0	0	115.895	0
a) Deteriorated	0	X	0	0	0	0	X	0	0	0	0	0
(b) Not impaired	115.895	115.895	0	X	0	0	0	0	X	0	115.895	0
A.2 Other	170.216	155.853	0	0	0	37	37	0	0	0	170.179	0
(a) Non-performing loans	0	X	0	0	0	0	X	0	0	0	0	0
- of which: exposures subject to concessions	0	X	0	0	0	0	X	0	0	0	0	0
(b) Probable defaults	0	X	0	0	0	0	X	0	0	0	0	0
- of which: exposures subject to concessions	0	X	0	0	0	0	X	0	0	0	0	0
(c) Impaired past due exposures	0	X	0	0	0	0	X	0	0	0	0	0
- of which: exposures subject to concessions	0	X	0	0	0	0	X	0	0	0	0	0

Exposure types/values	Gross exposure					Total value adjustments and total provisions					Net exposure	Overall partial write-offs (*)
		First stage	Second stage	Third stage	Impaired acquired or originate		First stage	Second stage	Third stage	Impaired acquired or originate		
(d) Non-impaired past due exposures	0	0	0	X	0	0	0	0	X	0	0	0
- of which: exposures subject to concessions	0	0	0	X	0	0	0	0	X	0	0	0
(e) Other unimpaired exposures	170.216	155.853	0	X	0	37	37	0	X	0	170.179	0
- of which: exposures subject to concessions	0	0	0	X	0	0	0	0	X	0	0	0
TOTAL A	**286.110**	**271.748**	**0**	**0**	**0**	**37**	**37**	**0**	**0**	**0**	**286.074**	**0**
B. Off-balance-sheet credit exposures												
a) Deteriorated	0	X	0	0	0	0	X	0	0	0	0	0
(b) Not impaired	12.505	12.228	0	X	0	0	0	0	X	0	12.505	0
TOTAL B	**12.505**	**12.228**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**12.505**	**0**
TOTAL A+B	**2G8.615**	**283.G76**	**0**	**0**	**0**	**37**	**37**	**0**	**0**	**0**	**2G8.57G**	**0**

Notes:

The table shows, with reference to transactions with banks, the composition by credit quality. In particular, it shows all financial assets due from banks arising from the balance sheet items "20 - Financial assets held for trading, "30 - Financial assets measured at fair value with impact on comprehensive income" and "40 - Financial assets measured at amortised cost a) due from banks". This does not include equity securities and O.I.C.R. units in the amount of 56,819 mgl, and securities issued by non-banking counterparties in the amount of 324,645 mgl.

A.1.7 Cash and off-balance sheet credit exposures to customers: gross and net values - Part 1

Exposure types/values	Gross exposure				
		First stage	Second stage	Third stage	Impaired acquired or originate
A. On-balance-sheet credit exposures					
(a) Non-performing loans	85.037	X	0	85.037	0
- of which: exposures subject to concessions	0	X	0	0	0
(b) Probable defaults	106.188	X	0	101.813	4.375
- of which: exposures subject to concessions	60.773	X	0	58.228	2.545
(c) Impaired past due exposures	15.101	X	0	15.101	0
- of which: exposures subject to concessions	1.595	X	0	1.595	0
(d) Non-impaired past due exposures	36.145	4.867	31.275	X	3
- of which: exposures subject to concessions	6.559	0	6.559	X	0
(e) Other unimpaired exposures	3.616.271	3.266.505	253.778	X	409
- of which: exposures subject to concessions	42.785	0	42.669	X	116
TOTAL A	**3.858.743**	**3.271.372**	**285.053**	**201.G51**	**4.788**
B. Off-balance-sheet credit exposures					
a) Deteriorated	14.747	X		14.748	
(b) Not impaired	920.879	869.417	47.194	X	
TOTAL B	**G35.626**	**86G.417**	**47.1G4**	**14.748**	
TOTAL A+ B	**4.7G4.36G**	**4.140.788**	**332.247**	**216.700**	**4.788**

A.1.7 Cash and off-balance sheet credit exposures to customers: gross and net values - Part 2

Exposure types/values	Total value adjustments and provisions total					Net exposure	Overall partial write-offs (*)
		First stage	Second stage	Third stage	Impaired acquired or originate		
A. On-balance-sheet credit exposures							0
(a) Non-performing loans	50.533	X	0	50.533	0	34.504	1.200
- of which: exposures subject to concessions	0	X	0	0	0	0	0
(b) Probable defaults	37.538	X	0	35.501	2.037	68.650	0
- of which: exposures subject to concessions	23.961	X	0	22.758	1.203	36.811	0
(c) Impaired past due exposures	2.369	X	0	2.369	0	12.733	0
- of which: exposures subject to concessions	86	X	0	86	0	1.509	0
(d) Non-impaired past due exposures	822	33	789	X	0	35.324	0
- of which: exposures subject to concessions	289	0	289	X	0	6.270	0
(e) Other unimpaired exposures	15.763	7.749	8.012	X	2	3.600.508	0
- of which: exposures subject to concessions	946	0	946	X	0	41.839	0
TOTAL A	**107.024**	**7.782**	**8.801**	**88.403**	**2.03G**	**3.751.71G**	**1.200**
B. Off-balance-sheet credit exposures							
a) Deteriorated	2.119	X	0	2.119		12.628	0
(b) Not impaired	266	242	25	X		920.612	0
TOTAL B	**2.385**	**242**	**25**	**2.11G**	**0**	**G33.241**	**0**
TOTAL A+ B	**10G.40G**	**8.023**	**8.826**	**G0.521**	**2.03G**	**4.684.G60**	**1.200**

Notes:

The table shows, with reference to transactions with customers, the composition by credit quality. In particular, it shows all financial assets with customers arising from the balance sheet items "20 - Financial assets at fair value through profit or loss", "30 - Financial assets at fair value through profit or loss" and "40 Financial assets at amortised cost b) loans to customers". This does not include equity securities and units in O.I.C.R. for 56,819 mgl, and securities issued by banks for 19,167 mgl.
On-balance-sheet credit exposures include loans outstanding at the balance sheet date that constitute new liquidity provided through public guarantee mechanisms under the COVID19 framework.
The table below shows, for the different asset categories (impaired/non-impaired), the gross exposure and total value adjustments:

Exposure types/values	Gross exposure	Value Adjustments total
Impaired exposures	**21.758**	**3.864**
(a) Non-performing loans	0	0
(b) Probable defaults	15.925	3.487
(c) Impaired past due exposures	5.832	378
Non-impaired exposures	**2G4.188**	**720**
(d) Performing loans - stage 2	39.958	296
(e) Performing loans - stage 1	254.230	424
Grand total	**315.G46**	**4.584**

A.1.G Cash credit exposures to customers: changes in gross impaired exposures

Causes/Categories	Non-performing loans	Probable defaults	Expired exposures impaired
A. Initial gross exposure	**G5.016**	**125.G58**	**15.7G8**
- of which: exposures transferred not derecognised	0	0	0
B. Increases			
B.1 Inputs from non-impaired exposures	5.356	37.794	9.855
B.2 Inputs from impaired financial assets acquired or originated	0	0	0
B.3 Transfers from other impaired exposure categories	26.251	5.004	5
B.4 contractual changes without cancellation	0	0	0
B.5 Other increases	2.631	16.062	0
C. Decreases	0	0	0
C.1 Outflows to non-impaired exposures	0	2.816	787
C.2 write-offs	15.568	0	0
C.3 collections	22.348	31.042	272
C.4 Proceeds from disposals	5.608	12.084	189
C.5 Losses from disposals	408	9.570	95
C.6 transfers to other impaired exposure categories	285	23.118	7.856
C.7 contractual changes without cancellation	0	0	0
C.8 other decreases	0	0	1.357
D. Final gross exposure	**85.037**	**106.188**	**15.101**
- of which: exposures transferred not derecognised	0	0	0

Notes:
Items C.4 and C.5 refer to transactions of non-recourse assignment of impaired loans finalised by the Bank during the year.

A.1.Gbis Cash credit exposures to customers: changes in gross credit exposures broken down by credit quality

Causes/Categories	Concessional exposures: impaired	Exposures subject to concessions: not impaired
A. Initial gross exposure	**78.1G2**	**66.667**
- of which: exposures transferred not derecognised	0	0
B. Increases	**7.113**	**13.052**
B.1 Inputs from non-impaired exposures not subject to concessions	1.464	11.089
B.2 Inputs from unimpaired exposures subject to concessions	5.648	0
B.3 Inputs from impaired concessions exposures	0	1.881
B.4 Inputs from impaired exposures not subject to a concession	0	0
B.5 Other increases	0	81
C. Decreases	**22.G37**	**30.374**
C.1 Outflows to non-impaired exposures not subject to concessions	0	17.301

Causes/Categories	Concessional exposures: impaired	Exposures subject to concessions: not impaired
C.2 Outflows to unimpaired exposures subject to concessions	1.881	0
C.3 Outflows to Impaired Concessional Exposures	0	5.648
C.4 write-offs	0	0
C.5 collections	0	0
C.6 Proceeds from disposals	0	0
C.7 Losses from disposals	0	0
C.8 other decreases	21.056	7.425
D. Final gross exposure	**62.368**	**4G.344**
- of which: exposures transferred not derecognised	0	0

A.1.11 Impaired cash credit exposures to customers: changes in value adjustments total

Random/Categories	Non-performing loans		Probable defaults		Expired exposures impaired	
	Total	of which: exposures subject to concessions	Total	of which: exposures subject to concessions	Total	of which: exposures subject to concessions
A. Opening Total Adjustments	47.266	0	44.153	31.033	1.412	0
- of which: exposures transferred not derecognised	0	0	0	0	0	0
B. Increases						
B.1 value adjustments from impaired financial assets acquired or originate	0	0	0	0	0	0
B.2 other value adjustments	7.370	0	11.357	0	1.766	86
B.3 Losses on Disposal	0	0	1.523	0	80	0
B.4 Transfers from other impaired exposure categories	8.164	0	571	0	4	0
B.5 contractual changes without cancellation	0	0	0	0	0	0
B.6 other increases	15.485	0	0	0	0	0
C. Decreases	0	0	0	0	0	0
C.1 from valuation	11.072	0	3.074	7.072	26	0
C.2 from collections	0	0	0	0	0	0
C.3.Gains on disposal	1.069	0	0	0	0	0
C.4 write-offs	15.568	0	0	0	0	0
C.5 transfers to other impaired exposure categories	43	0	7.884	0	811	0
C.6 contractual changes without cancellation	0	0	0	0	0	0
C.7 Other decreases	0	0	9.108	0	56	0
D. Total final adjustments	**50.533**	**0**	**37.538**	**23.G61**	**2.36G**	**86**
- of which: exposures transferred not derecognised	0	0	0	0	0	0

A.2 Classification of exposures according to external and internal ratings
A.2.1 Distribution of cash and off-balance sheet exposures by external rating classes

Exhibitions	External rating classes						Without rating	Total 31/12/2024
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6		
A. Valued financial assets at amortised cost								
- First stage	0	0	617.787	0	0	0	2.573.492	3.191.279
- Second stage	0	0	0	2.035	0	0	285.053	287.088
- Third stage	0	0	0	0	0	0	201.951	201.951
- Impaired acquired or originate	0	0	0	0	0	0	4.788	4.788
B. Financial assets measured at fair value with impact on overall profitability								
- First stage	0	0	158.805	0	0	0	0	158.805
- Second stage	0	0	0	0	0	0	0	0
- Third stage	0	0	0	0	0	0	0	0
-Impaired acquired or originate	0	0	0	0	0	0	0	0
C. Current financial assets of divestment								
- First stage	0	0	0	0	0	0	0	0
- Second stage	0	0	0	0	0	0	0	0
- Third stage	0	0	0	0	0	0	0	0
-Impaired acquired or originate	0	0	0	0	0	0	0	0
Total (A+ B+ C)	**0**	**0**	**776.5G2**	**2.035**	**0**	**0**	**3.065.284**	**3.843.G12**
D. Commitments to Disburse Funds and financial guarantees given								
- First stage	0	0	0	0	0	0	871.917	871.917
- Second stage	0	0	0	0	0	0	47.194	47.194
- Third stage	0	0	0	0	0	0	14.747	14.747

Exhibitions	External rating classes						Without rating	Total 31/12/2024
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6		
- impaired acquired or originate	0	0	0	0	0	0	0	0
Total (D)	**0**	**0**	**0**	**0**	**0**	**0**	**G33.858**	**G33.858**
Total (A+ B+ C+ D)	**0**	**0**	**776.5G2**	**2.035**	**0**	**0**	**3.GG.142**	**4.777.76G**

Class 1 = AAA/AA- Class
2 = A+/A- Class 3 =
BBB+/BB- Class 4 =
BB+/BB- Class 5 = B+/B-
Class 6= Below B-

A.3 Distribution of guaranteed exposures by type of guarantee
A.3.1 Secured cash and off-balance sheet credit exposures to banks - Part 1

Entries	Gross exposure	Net exposure	Collateral (1)			
			Mortgages	Real estate - financing for leasing	Titles	Other guarantees real
1. Credit exposures for guaranteed cash:						
1.1 fully guaranteed	70.107	70.107	0	0	69.732	0
- of which impaired	0	0	0	0	0	0
1.2 partially guaranteed	0	0	0	0	0	0
- of which impaired	0	0	0	0	0	0
2 Off-balance-sheet credit exposures guaranteed budget:						
2.1 fully guaranteed	0	0	0	0	0	0
- of which impaired	0	0	0	0	0	0
2.2 partially guaranteed	0	0	0	0	0	0
- of which impaired	0	0	0	0	0	0

A.3 Distribution of guaranteed exposures by type of guarantee
A.3.1 Secured cash and off-balance sheet credit exposures to banks - Part 2

Entries	Personal guarantees (2)									Total (1)+(2)
	Credit derivatives					Signature credits				
	CLN	Other derivatives								
		Central counterparts	Banks	Other companies financial	Other subjects	Public Administrations	Banks	Other financial companies	Other subjects	
1. Credit exposures for guaranteed cash:										
1.1 fully guaranteed	0	0	0	0	0	0	0	0	0	**6G.732**
- of which impaired	0	0	0	0	0	0	0	0	0	**0**
1.2 partially guaranteed	0	0	0	0	0	0	0	0	0	**0**
- of which impaired	0	0	0	0	0	0	0	0	0	**0**
2 Credit exposures guaranteed off-balance sheet:										
2.1 fully guaranteed	0	0	0	0	0	0	0	0	0	**0**
- of which impaired	0	0	0	0	0	0	0	0	0	**0**
2.2 partially guaranteed	0	0	0	0	0	0	0	0	0	**0**
- of which impaired	0	0	0	0	0	0	0	0	0	**0**

A.3 Distribution of guaranteed exposures by type of guarantee
A.3.2 Secured customer credit exposures - Part 1

Entries	Gross exposure	Net exposure	Collateral (1)			
			Mortgages	Real estate - financing for leasing	Titles	Other collateral
1. On-balance-sheet credit exposures guaranteed:						
1.1 fully guaranteed	2.037.842	1.984.470	1.401.840	0	41.494	22.257
- of which impaired	137.185	94.612	61.362	0	0	69
1.2 partially guaranteed	284.652	273.883	50	0	16.205	5.497
- of which impaired	19.659	11.347	50	0	72	146
2 Off-balance-sheet credit exposures guaranteed:						
2.1 fully guaranteed	126.658	126.658	5.238	0	709	6.817
- of which impaired	7.731	7.731	0	0	14	239
2.2 partially guaranteed	45.545	45.545	0	0	3.373	930

Entries	Gross exposure	Net exposure	Collateral (1)			
			Mortgages	Real estate - financing for leasing	Titles	Other collateral
- of which impaired	1.636	1.636	0	0	0	0

A.3.2 Secured customer credit exposures - Part 2

Entries	Personal guarantees (2)									Total (1)+(2)
	Credit derivatives					Signature credits				
	CLN	Other derivatives								
		Central counterparts	Banks	Other companies financial	Other subjects	Public Administrations	Banks	Other financial companies	Other subjects	
1. Credit exposures for guaranteed cash:										
1.1 fully guaranteed	0	0	0	0	0	272.914	0	6.532	235.903	**G80.G40**
- of which impaired	0	0	0	0	0	22.408	0	1.262	9.333	**G4.434**
1.2 partially guaranteed	0	0	0	0	0	140.049	0	958	58.474	**221.232**
- of which impaired	0	0	0	0	0	8.685	0	36	1.822	**10.811**
2 Credit exposures guaranteed off-balance sheet:										
2.1 fully guaranteed	0	0	0	0	0	17.252	0	806	95.828	**126.650**
- of which impaired	0	0	0	0	0	1.832	0	227	5.419	**7.731**
2.2 partially guaranteed	0	0	0	0	0	14.612	0	39	11.147	**30.101**
- of which impaired	0	0	0	0	0	937	0	0	339	**1.276**

B. Distribution and concentration of credit exposures

B.1 Sectoral distribution of off-balance sheet cash credit exposures to customers (balance sheet value) - Part 1

Exposures/Counterparts	Public Administrations		Financial companies		Financial companies (of which: insurance companies)	
	Net exposure	Value adjustments total	Net exposure	Value adjustments total	Net exposure	Value adjustments total
A. Cash credit exposure						
A.1 Non-performing loans	0	0	414	530	0	0
- of which: exposures subject to concessions	0	0	0	0	0	0
A.2 Probable Defaults	0	0	53	47	0	0
- of which: exposures subject to concessions	0	0	0	0	0	0
A.3 Impaired Past Due Exposures	0	0	1.329	63	0	0
- of which: exposures subject to concessions	0	0	1.325	62	0	0
A.4 Non-impaired exposures	839.478	227	336.282	128	28.010	0
- of which: exposures subject to concessions	0	0	135	0	0	0
TOTAL A	**83G.478**	**227**	**338.078**	**768**	**28.010**	**0**
B. Off-balance-sheet credit exposures						
B.1 Impaired exposures	0	0	0	0	0	0
B.2 Non-impaired exposures	1.832	0	88.854	2	5.046	0
TOTAL B	**1.832**	**0**	**88.854**	**2**	**5.046**	**0**
TOTAL (A+B) 31/12/2024	**841.310**	**227**	**426.G32**	**76G**	**33.057**	**0**
TOTAL (A+B) 31/12/2023	**8G8.247**	**321**	**443.235**	**G04**	**32.1GG**	**0**

B.1 Sectoral distribution of off-balance sheet cash credit exposures to customers (balance sheet value) - Part 2

Exposures/Counterparts	Non-financial companies		Families	
	Net exposure	Total value adjustments	Net exposure	Value adjustments total
A. Cash credit exposure				
A.1 Non-performing loans	23.272	42.236	10.818	7.767
- of which: exposures subject to concessions	0	0	0	0
A.2 Probable Defaults	47.898	29.756	20.699	7.735
- of which: exposures subject to concessions	24.203	18.726	12.609	5.236
A.3 Impaired Past Due Exposures	8.438	1.796	2.966	510
- of which: exposures subject to concessions	182	24	2	0

Exposures/Counterparts	Non-financial companies		Families	
	Net exposure	Total value adjustments	Net exposure	Value adjustments total
A.4 Non-impaired exposures	1.221.963	12.960	1.238.108	3.269
- of which: exposures subject to concessions	23.888	800	24.086	435
TOTAL A	**1.301.572**	**86.748**	**1.272.5G1**	**1G.282**
B. Off-balance-sheet credit exposures				
B.1 Impaired exposures	11.764	2.119	865	0
B.2 Non-impaired exposures	741.523	255	88.403	10
TOTAL B	**753.287**	**2.373**	**8G.268**	**10**
TOTAL (A+B) 31/12/2024	**2.054.85G**	**8G.121**	**1.361.85G**	**1G.2G2**
TOTAL (A+B) 31/12/2023	**2.212.073**	**87.G30**	**1.414.341**	**22.804**

B.1 Sectoral distribution of off-balance sheet cash credit exposures to customers (balance sheet value) - Part 3

Exposures/Counterparts	TOTAL	
	Net exposure	Value adjustments total
A. Cash credit exposure		
A.1 Non-performing loans	34.504	50.533
- of which: exposures subject to concessions	0	0
A.2 Probable Defaults	68.650	37.538
- of which: exposures subject to concessions	36.811	23.961
A.3 Impaired Past Due Exposures	12.733	2.369
- of which: exposures subject to concessions	1.509	86
A.4 Non-impaired exposures	3.635.832	16.585
- of which: exposures subject to concessions	48.109	1.235
TOTAL A	**3.751.71G**	**107.024**
B. Off-balance-sheet credit exposures		
B.1 Impaired exposures	12.628	2.119
B.2 Non-impaired exposures	920.612	266
TOTAL B	**G33.241**	**2.385**
TOTAL (A+B) 31/12/2024	**4.684.G60**	**10G.40G**
TOTAL (A+B) 31/12/2023	**4.G67.8G7**	**111.G60**

B.2 Geographical distribution of cash and off-balance credit exposures to customers (balance sheet value)

Exposure/geographical areas	ITA LIA		OTHERYES COUNTRIESEUROPEANS		AMERICA		A IA		RESTO DI L WORLD	
	Net exposure	Total value adjustments e	Net exposure	Total value adjustments e	Net exposure	Total value adjustments e	Net exposure	Total value adjustments e	Net exposure	Total value adjustments e
A. On-balance-sheet credit exposures										
A.1 Non-performing loans	34.504	50.533	0	0	0	0	0	0	0	0
A.2 Probable Defaults	68.650	37.538	0	0	0	0	0	0	0	0
A.3 Impaired Past Due Exposures	12.732	2.369	0	0	0	0	0	0	0	0
A.4 Non-impaired exposure	3.526.280	16.522	78.363	20	9.481	29	713	1	20.995	12
TOTAL (A)	**3.642.167**	**106.G61**	**78.363**	**20**	**G.481**	**2G**	**713**	**1**	**GG5**	**12**
B. Off-balance-sheet credit exposures budget'										
B.1 Impaired exposures	12.628	2.119	0	0	0	0	0	0	0	0
B.2 Non-impaired exposures	919.176	266	1.393	0	41	0	0	0	3	0
TOTAL (B)	**G31.804**	**2.385**	**1.3G3**	**0**	**41**	**0**	**0**	**0**	**3**	**0**
TOTAL (A+ B) 31/12/2024	**4.573.G71**	**10G.346**	**7G.756**	**20**	**G.522**	**2G**	**713**	**1**	**GG7**	**12**
TOTAL (A+ B) 31/12/2023	**4.8G3.4G0**	**111.813**	**57.373**	**134**	**1.327**	**0**	**732**	**1**	**14.G75**	**12**

B.2 Geographical distribution of cash and off-balance credit exposures to customers (balance sheet value) - Part 2

Exposure/geographical areas	TOTAL	
	Net exposure	Value adjustments total
A. On-balance-sheet credit exposures		
A.1 Non-performing loans	34.504	50.533
A.2 Probable Defaults	68.650	37.538
A.3 Impaired Past Due Exposures	12.733	2.369
A.4 Non-impaired exposure	3.635.832	16.585
TOTAL (A)	**3.751.71G**	**107.024**
B. Off-balance-sheet credit exposures		
B.1 Impaired exposures	12.628	2.119

Exposure/geographical areas	TOTAL	
	Net exposure	Value adjustments total
B.2 Non-impaired exposures	920.612	266
TOTAL (B)	**G33.241**	**2.385**
TOTAL (A+ B) 31/12/2024	**4.684.G60**	**10G.40G**
TOTAL (A+ B) 31/12/2023	**4.G67.8G7**	**111.G60**

Notes:
The cash credit exposures shown in the table (EUR 3,751,719 thousand) are those valued in the balance sheet net of the debit balance and with evidence of total value adjustments.
In particular, all financial assets due from customers are reported under balance sheet items '20 - Financial assets at fair value through profit or loss', '30 - Financial assets at fair value through profit or loss' and '40 - Financial assets at amortised cost b) loans to customers'.
Excluded are equity securities and units of mutual funds in the amount of 56,819 mgl, and securities issued by banks in the amount of 19,167 mgl.

B.3 Geographical distribution of cash and off-balance sheet credit exposures to banks (balance sheet value) - Part 1

Exposure/geographical areas	ITALY		OTHER COUNTRIES EUROPEANS		AMERICA		ASIA		REST OF WORLD	
	Net exposure	Adjustments and complement value ssive	Net exposure	Adjustment and complement value ssive	Net exposure	Adjustments and complement value ssive	Net exposure	Adjustments and complement value ssive	Net exposure	Adjustments and complement value ssive
A. Credit exposures per case										
A.1 Non-performing loans	0	0	0	0	0	0	0	0	0	0
A.2 Probable Defaults	0	0	0	0	0	0	0	0	0	0
A.3 Past Due Exposures impaired	0	0	0	0	0	0	0	0	0	0
A.4 Non-exposure impaired	199.598	12	77.653	25	2.018	0	20	0	6.785	0
TOTAL (A)	**1GG.5G8**	**12**	**77.653**	**25**	**2.018**	**0**	**20**	**0**	**6.785**	**0**
B. Credit exposures 'off-balance sheet'										
B.1 Impaired exposures	0	0	0	0	0	0	0	0	0	0
B.2 Non-exposure impaired	10.328	0	2.177	0	0	0	0	0	0	0
TOTAL (B)	**10.328**	**0**	**2.177**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL (A+ B) 31/12/2024	**20G.G26**	**12**	**7G.830**	**25**	**2.018**	**0**	**20**	**0**	**6.785**	**0**
TOTAL (A+ B) 31/12/2023	**374.253**	**202**	**60.357**	**25**	**2.408**	**0**	**178**	**0**	**12.2G2**	**0**

B.3 Geographical distribution of cash and off-balance sheet credit exposures to banks (balance sheet value) - Part 2

Exposure/geographical areas	TOTAL	
	Net exposure	Value adjustments total
A. On-balance-sheet credit exposures		
A.1 Non-performing loans	0	0
A.2 Probable Defaults	0	0
A.3 Impaired Past Due Exposures	0	0
A.4 Non-impaired exposure	286.074	37
TOTAL (A)	**286.074**	**37**
B. Off-balance-sheet credit exposures		
B.1 Impaired exposures	0	0
B.2 Non-impaired exposures	12.505	0
TOTAL (B)	**12.505**	**0**
TOTAL (A+ B) 31/12/2024	**2G8.57G**	**37**
TOTAL (A+ B) 31/12/2023	**44G.488**	**227**

Notes:
The amounts shown towards banks for cash (186,831 mgl) are those in the balance sheet net of doubtful outcomes. In particular, all financial assets due from banks are reported under balance sheet item "20 - Financial assets at fair value through profit or loss",
"30 - Financial Assets Valued at Fair Value with Impact on Comprehensive Income" and "40 Financial Assets Valued at Amortised Cost a) Due from Banks".
Excluding equity securities and O.I.C.R. units of 40,662 mgl., and securities issued by non-banking counterparties of 589,067 mgl.

The data are distributed territorially according to the state of residence of the counterparty.

B.4 Major risks (according to supervisory regulations)

Items / Values	31/12/2024			31/12/2023		
	Number	Value of Budget	Value Weighted	Number	Value of Budget	Value Weighted
a. Major Exhibitions	11	1.845.719	191.078	12	2.152.528	267.675
b. Null weighted positions	4	1.552.629	0	4	1.847.682	0
Total Major Exposures (A-B)	**7**	**2G3.0G1**	**1G1.078**	**8**	**304.846**	**267.675**

DISCLOSURE ON SELF-SECURITISATION TRANSACTIONS - PONTORMO RMBS 2017

Since the end of November 2017, Banca Cambiano has been involved as Originator, Servicer and Noteholder in the securitisation transaction "Pontormo RMBS 2017" (the "Transaction"), which uses, as a special purpose vehicle, Pontormo RMBS s.r.l., a company whose exclusive purpose is to carry out one or more credit securitisation transactions and which is registered under no. 35038.9 in the List of securitisation special purpose vehicles. During the second half of 2019, the Transaction underwent a restructuring (the "Restructuring"), which took the form, in short, of the sale of a second loan portfolio by Banca Cambiano and the simultaneous issuance of two additional bonds, a senior and a junior bond, at the same rate as the bonds of the same grade issued previously. During the month of October 2024, the Transaction underwent a "Partial Unwinding" process, which resulted in (i) the exit from the Transaction of the other participating bank (Banca di Pisa e Fornacette Credito Cooperativo, "Banca di Pisa e Fornacette") through the repurchase of its own portfolio and the consequent redemption of the securities it had subscribed to, and (ii) a review of the structure of the Transaction, necessary to incorporate the transition from a "multi-originator" to a "mono-originator" transaction. As part of the Partial Unwinding, whose costs were entirely borne by Banca di Pisa e Fornacette, the Rating Agencies (SCP and Fitch) confirmed the AA rating of the securities subscribed by Banca Cambiano. The purpose of the Pontormo RMBS 2017 transaction, the main features of the Notes issued, a selection of quantitative information relating to the 2024 financial year, and a description of the accounting treatment in the Bank's financial statements will be illustrated below.

Purpose and structure Operation Pontormo RMBS 2017

The objective set by the Bank with the launch of the Transaction was to transform part of the assets employed (the residential mortgages) into an ABS-type note (Pontormo RMBS Class A) to be used in a series of activities aimed at further optimising any liquidity needs, in particular:

- to raise short/medium-term liquidity through Eurosystem operations;
- raising medium-term liquidity with Private REPOs (2-3 years);
- finalise refinancing transactions on the Intermobiliare Collateralised Market (New Mic);
- where the market opportunity presents itself, and consistent with the bank's weighted average funding cost, sell the known ABS on the market.

The Transaction resulted in the obtaining of an ABS instrument (with underlying mortgages disbursed by the Bank) with a high credit standing: at the time of issuance, in fact, the Note had an AA rating for SCP and AA- for FITCH, at higher levels than the Italian sovereign debt rating (which at the same time stood at Baa2 for Moody's, BBB for SCP and BBB for Fitch). On 23 October 2018, Fitch revised upwards the rating of the class 'A' bonds from AA- (rating at issuance) to AA, the highest rating obtainable for Italian structured finance transactionsOn the occasion of the 2019 Restructuring, both rating agencies confirmed the AA rating for the senior note issued in 2017 and assigned the same rating to the new senior note issued as part of the Restructuring. At the end of April 2020, following Fitch's downgrade of Italy's rating the agency downgraded the rating of the senior notes in question to AA- (the agency's policy envisages a maximum rating on structured finance transactions equal to 6 notches above the sovereign rating of reference, so the downgrade of the notes is solely due to the lowering of the sovereign rating). In December 2021, following the upgrade of Italy's rating, Fitch revised the rating of the senior notes in question upward to AA. As anticipated, as part of the Partial Unwinding of October 2024, both rating agencies confirmed the AA rating of the securities underwritten by Banca Cambiano, which therefore continue to retain all the characteristics described above. The transaction made it possible to transform a part of the Bank's assets, otherwise illiquid (the mortgage portfolio), into a financial instrument (the two senior notes) that is rated, transparent, eligible at the Central Bank and potentially negotiable.

The transaction under review originated as a multi-originator transaction, originated by Banca Cambiano together with Banca di Pisa e Fornacette. With a first transfer agreement signed on 14 November 2017, each bank transferred a portfolio of mortgages (distinct and independent with respect to other) that are characterised as loans identifiable en bloc pursuant to the Securitisation Law, classified as "performing" in accordance with current supervisory regulations and deriving from land and mortgage loan contracts backed by voluntary mortgages on real estate. As part of the Restructuring, each bank then sold a second portfolio of mortgages, according to the same procedures just described, always separate and independent from the other. Below are some of the main general criteria for the eligibility of the transferred mortgages, valid for both assignments:

- The loans are denominated in euro;
- Loans granted to natural persons resident in Italy who, in accordance with the classification criteria adopted by the Bank of Italy in its Circular 140 of 11 February 1991 (as subsequently amended), are included in one of the following SAE (sector of economic activity) categories: No 600 ("consumer households"); No 614 ("artisans") or No 615 ("producer households");
- Mortgages secured by a mortgage on one or more immovable property located in the Italian territory and in relation to the immovable property on which the mortgage is secured (or, in the case of one or more mortgages on more than one immovable property securing the same mortgage, the Predominant Immovable Property) is a residential immovable property;
- No borrower is an employee, director, auditor or manager of the Bank;
- No borrower is a public administration or similar body, or a company directly or indirectly controlled by a public administration, or a religious or ecclesiastical body.

The transferring banks acted (and Banca Cambiano still acts) as servicer of their portfolios
transferred to the vehicle.

Ǫ As consideration for the purchase of the receivables, SPV paid the assigning banks a price of €695,618,219.29 in connection with the first assignment and of €447,699,408.76 in connection with the second assignment, corresponding to the aggregate sum of the individual purchase prices of the receivables assigned from time to time, as specified below:

- First assignment - Banca di Pisa e Fornacette: 232,893,077.48 euro;
- **First assignment - Banca Cambiano: Euro 462,725,141.81;**
- Second assignment - Banca di Pisa e Fornacette: EUR 160,485,163.54;
- **Second assignment - Banca Cambiano: Euro 287,214,245.22.**

The purchase of the first portfolio was financed by the SPV through issuance on 27 November 2017, to the
pursuant to Articles 1 and 5 of the Securitisation Act, of the following classes of securities:

Senior - (Class 'A' securities)

- Euro 181,656,000 Class A1-2017;
- **Euro 360,G25,000 Class A2-2017;**

Junior - (Class 'B' securities)

- Euro 54,137,000 Class B1-2017;
- **Euro 107,562,000 Class B2-2017.**

Similarly, the second loan portfolio transferred as part of the Restructuring was financed through
the issue on 6 December 2019 of the following bonds:

Senior - (Class 'A' securities)

- Euro 157,866,000 Class A1-2019;
- **Euro 285,773,000 Class A2-201G;**

Junior - (Class 'B' securities)

- Euro 3,380,000 Class B1-2019;
- **Euro 1,330,000 Class B2-201G.**

Subscriber	Isin	Class	Senior Tranching	Rating at issue	Rating as at 31.12.2024	Nominal	Outstanding amount as at 31.12.2024	Outstanding amount post redemption 27.01.2025
Bank of Pisa and Fornacette	IT0005315210	Class A1 - 2017	84,00%	AA / AA-	Refunded			
Bank of Pisa and Fornacette	IT0005391237	Class A1 - 2019	84,00%	**AA / AA**	Refunded			
Cambiano Bank	**IT0005315228**	**Class A2 - 2017**	**84,00%**	**AA / AA-**	AA / AA	360.925.000	86.610.497	85.409.342
Cambiano Bank	**IT00053G1245**	**Class A2 - 201G**	**84,00%**	**AA / AA**	AA / AA	285.773.000	108.442.555	106.938.406
		Class A Notes	**84,00%**			**646.6G8.000**	**1G5.053.052**	**1G2.347.748**
Bank of Pisa and Fornacette	IT0005315236	Class B1 - 2017	16,00%		Refunded			
Bank of Pisa and Fornacette	IT0005391252	Class B1 - 2019	16,00%		Refunded			
Cambiano Bank	**IT0005315244**	**Class B2 - 2017**	**16,00%**			107.562.000	107.562.000	107.562.000
Cambiano Bank	**IT00053G1260**	**Class B2 - 201G**	**16,00%**			1.330.000	1.330.000	1.330.000
		Class B Notes	**16,00%**			**108.8G2.000**	**108.8G2.000**	**108.8G2.000**

The Class "A" notes are listed on the Irish Stock Exchange, while the Class "B" notes are neither listed nor rated. The Senior notes bear interest at a variable interest rate indexed to the Euribor per month (with floor at 0% and cap equal to 3.50% for Class A1 notes and 3.52% for Class A2 notes) plus a spread equal to 0.45%; the Junior notes, on the other hand, do not have a fixed coupon and receive flows other than principal and due on a first-come, first-served basis. Interest and income on the securities are paid monthly on the 25th of each month.

The securities subscribed by Banca Cambiano are classes A2 (senior) and B2 (junior). Below are the characteristics of the securities in question:

Class A2-2017
Currency: Euro
Amount at Issue: 360,925,000
Rate: Euribor 1M (floor at 0% and Cap 3.52%)+ spread 0.45%.
Coupon: monthly
Legal term: May 2060
Repayment: amortisation linked to recoveries on underlying loans Rating as at 31.12.2023: AA by SCP, AA by Fitch Q Listing: Irish Stock Exchange
ISIN: IT0005315228
Applicable law: Italian law.
Underwriter: Banca Cambiano.

Class A2-2019
Currency: Euro
Amount at Issue: 285,773,000
Rate: Euribor 1M (floor at 0% w Cap 3.52%)+ spread 0.45%
Coupon: monthly
Legal term: May 2060
Repayment: amortisation linked to recoveries on underlying loans Rating as at 31.12.2023: AA by SCP, AA by Fitch Q Listing: Irish Stock Exchange
ISIN: IT0005391245
Applicable law: Italian law.
Underwriter: Banca Cambiano.

Class B2-2017
Currency: Euro
Amount at Issue: 107,562,000 Rate: N.D.
Coupon: monthly
Legal term: May 2060
Repayment: amortisation linked to recoveries on underlying loans Rating: Unrated
Quotazione: Not listed on a regulated market ISIN: IT0005315244

Applicable law: Italian law.
Underwriter: Banca Cambiano.

Class B2-2019
Currency: Euro
Amount at Issue: 1,330,000 Rate: N.D.
Coupon: monthly
Legal term: May 2060
Repayment: amortisation linked to recoveries on underlying loans Rating: Unrated
Quotazione: Not listed on a regulated market ISIN: IT0005391260
Applicable law: Italian law.
Underwriter: Banca Cambiano.
The securities are all managed in dematerialised form at Monte Titoli S.p.A.

Junior securities include in their amount:

- a cash reserve ("Cash Reserve Amount") equal 1.50% of the nominal amount of the Senior Notes issued at at the time of the Restructuring, i.e. Euro 7,688,433;
- the amount necessary to build up the expense reserve (Retention Amount), which the time of issuance corresponds to a quota of Euro 53,216 for Banca Cambiano;
- the expenses for structuring the Transaction (Euro 294,727.31 pertaining pro rata to Banca Cambiano) and expenses for the Restructuring (Euro 246,905.34 pertaining pro rata to Banca Cambiano).

The cash reserve constitutes a guarantee in favour of the Senior Noteholders (which in this case coincide with the originators, and therefore implicitly constitutes a guarantee also in favour of Banca Cambiano, which the holder of the "A2" classes). There is also an amortisation of the cash reserve (subject to the amount of funds available), which is gradually returned to the relevant bank based on the amortisation of the respective Senior Notes, until a defined minimum level is reached (0.8% of the nominal amount of the Senior Notes at the time of the Restructuring). There are currently no plans to utilise the cash reserve, which therefore remains in the availability of the vehicle in liquid form, contributing, where necessary, to the amount of funds available.

The cash reserve constitutes a guarantee in favour of the Senior Noteholders (which in this case coincide with the originators, and therefore implicitly constitutes a guarantee also in favour of Banca Cambiano, which the holder of the "A2" classes). There is also an amortisation of the cash reserve (subject to the amount of funds available), which is gradually returned to the relevant bank based on the amortisation of the respective Senior Notes, until a defined minimum level is reached (0.8% of the nominal amount of the Senior Notes at the time of the Restructuring). There are currently no plans to utilise the cash reserve, which therefore remains in the availability of the vehicle in liquid form, contributing, where necessary, to the amount of funds available.

Cash Reserve Amount	Reserve at issue	Reserve outstanding at 31.12.2024
Banca Cambiano Cash Reserve Amount	7.688.433	4.144.473

The Retention Amount is in fact an expense fund at the vehicle's disposal set up by the structure to meet the vehicle's operating costs. At each monthly settlement, on the basis of the costs incurred and documented, this account/expense fund will be replenished to the pre-determined amount of EUR 53,216.The securities are reimbursed to coincide with the interest payment dates, based on the recoveries of the underlying receivables, the funds available and the order of priority of payments (illustrated below). The interest period runs from one payment date (inclusive) to the next payment date (exclusive), and interest is calculated on the basis of the actual number of days elapsed divided by 360. Class "A" securities have characteristics such that they can be used for financing transactions with the European Central Bank.

Selected quantitative information as at 31/12/2024

Below is a selection of some of the key quantitative information concerning the transaction under review. Unless otherwise specified, the values are in euro units and refer to 31 December 2024.

Securitised Assets

Self-securitised loans at the end of 2024 are equal to the purchase price of the same, net of amounts to be received for collections accrued from the date of sale to 31 December 2024, but not yet transferred by the Servicers, and increased by interest accrued and due as at 31 December 2024.

	31/12/2024
Securitised performing loans	291.025.817
Overdue interest receivables not yet collected	77.357
Total	**2G1.103.174**

The characteristics of the assets sold by Banca Cambiano are as follows:

	31/12/2024
Residual Capital	291.025.817
Number of Mortgages	4.640
Average remaining life (years)	13,45
Weighted average rate	3,91%
Average loan amount	62.721,08
Current LTV	64,89%

The following table shows the securitised assets outstanding as at 31 December 2023, classified according to
of their remaining life:

	Balance as at 31/12/2024	**Incidence %**
Up to 3 months	105.791	0,04%
3 to 6 months	166.820	0,06%
6 to 12 months	540.126	0,19%
12 to 60 months	21.018.479	7,22%
More than 60 months	269.194.600	92,50%
Total	**2G1.025.817**	**100,00%**

Finally, the degree of portfolio breakdown as at 31 December is shown by category.
December 2024:

	Number of positions	**Balance as at 31/12/2024**
Up to 25,000	1.213	16.194.752
From 25,000 to 75,000	1.977	94.699.984
From 75,000 to 250,000	1.399	161.467.174
Over 250,000	51	18.663.907
Total	**4.640**	**2G1.025.817**

Use of availability

Description	**31/12/2024**
Cash at BNY account no. 6983879780 (Expenses Acc.)	62.720
Cash at BNY c/c no. 6983899780 (Banca Cambiano Transitory CR Acc.)	678.814
Liquidity at BNY c/c no. 6983919780 (BCC Pisa e Fornacette Transitory CR Acc.)	0
Cash at BNY account no. 6983989780 (General Acc.)	2.868.636
Cash at BNY account no. 6983999780 (Banca Cambiano Cash Reserve Acc.)	4.155.227
Cash at BNY c/c no. 6984009780 (BCC Pisa e Fornacette Cash Reserve Acc.)	0
Cash at BNY account no. 6983929780 (Payment Acc.)	5.955
Cash at BNY account no. 6983939780 (Banca Cambiano Suspension Acc.)	179.177
Cash at BNY c/c no. 6983949780 (BCC Pisa e Fornacette Suspension Acc.)	0
Receivables for the result of the operation	2.272.598
Receivables from Servicers for collections to be received	47.305
Accrued interest income on securitised loans	2.521.702
Prepaid expenses	32.158
Withholding tax credits on bank interest income	356.760
Total	**13.181.052**

Interest on securities issued (accrual basis)

	31/12/2024
Interest expenses on Class A securities	12.171.938
Interest expenses on Class B securities	6.109.441

Fees and commissions charged to the operation

During financial year 2024, the commissions and fees charged to operation consisted of the items detailed in the following table:

Description	31/12/2024
Servicing fees (Pisa Bank)	66.744
Servicing fees (Banca Cambiano)	**158.333**
Computation Agent Fees	22.683
Sub Computation Agent Fees	1.533
Listing Agent Fees	3.840
Compensation Representative of the Noteholders	10.725
Compensation Account Bank, Cash Manager, Principal Paying Agent	16.543
More	339.136
Total	**61G.537**

Interest generated by securitised assets

The total portfolio of self-securitised loans accrued the following amounts of interest on 31 December 2024:

	31/12/2024
Interest on securitised loans	17.979.217
Early termination penalties	199.082
Other income	722.617
Total	**18.G00.G16**

INDICATION OF SIGNED CONTRACTS

In order to implement Securitisation Transaction and the subsequent Restructuring, it was necessary to sign the following contractual documentation with various counterparties:

i. No. 4 "Transfer Agreements" (two during the structuring of the Transaction and two during the Restructuring) by virtue of which the Company acquired from Banca di Pisa e Fornacette and Banca Cambiano for valuable consideration, en bloc and without recourse, the respective credit portfolios;

ii. No. 2 "Guarantee and Indemnity Agreements" (one at the time of structuring of the Transaction and one at the time of Restructuring) pursuant to which each Transferor Bank made certain representations and warranties, provided certain indemnities, and undertook certain indemnification obligations in relation to the relevant Receivables and their assignment to the Company;

iii. "Servicing Agreement" (as amended and supplemented during the Restructuring by the "Servicing Agreement Amendment Agreement"), whereby the Company appointed each Transferor Bank as the entity responsible for the administration, management, collection, recovery and collection of the relevant Receivables (including, for the sake of clarity, any non-performing receivables);

iv. "Administrative Services Agreement", whereby the Company appointed CH S.p.A. S.p.A. as Administrator of the Corporate Activities;

v. "Stichting Administrative Services Agreement" (Stichting Corporate Services Agreement);

vi. "Back-up Servicing Agreement", whereby the Company entrusted the back-up servicers with the task of acting as substitutes of the Servicer in the event of revocation of the appointment of Banca di Pisa e Fornacette or Banca Cambiano as Servicer pursuant to the Servicing Agreement;

vii. "Cash Administration and Agency Agreement" among, inter alios, the Company, the Transferor Banks, The Bank of New York Mellon SA/NV - Milan Branch, Invest Banca S.p.A., KPMG Fides Servizi di Amministrazione S.p.A. and CH S.p.A. S.p.A;

viii. "Intercreditor Agreement" between, inter alios, the Company, the Lending Banks, The Bank of New York Mellon SA/NV - Milan Branch, Invest Banca S.p.A., KPMG Fides Servizi di Amministrazione S.p.A. and CH S.p.A. S.p.A;

ix. "Notes Subscription Agreement" between the Company, KPMG Fides Servizi di Amministrazione S.p.A., Banca di Pisa and Fornacette, Banca Cambiano and Banca Akros S.p.A.;

x. "Quotaholder's Agreement" between the Company, CH S.p.A. S.p.A., Stichting Muitenburg and KPMG Fides Servizi di Administration S.p.A.;

xi. No. 2 "Written Resolutions", through which the Noteholders approved the Restructuring of the Transaction, authorising the RON and the Company to take the necessary actions for its completion;
xii. "Amendment Agreement", signed by all parties involved in the Transaction, in which the amendments to the previously signed agreements necessary to allow the Restructuring of the Transaction are made.
xiii. "Offering Circular" (including the settlement of the Securities).

As part of the Partial Unwinding and the subsequent adjustment of the structure, the following contracts were signed by the various counterparties:

i. 'Written Resolution', by which the security holders and the RON approved the Partial Unwinding and the subsequent adaptation of the structure;
ii. 'Repurchase Agreement', by which Banca di Pisa e Fornacette repurchased its portfolio;
iii. "Termination Agreement", in which all counterparties agreed upon the payments to be made in the context of the early redemption of the securities subscribed by Banca di Pisa e Fornacette, which renounced all its roles in the Transaction;
iv. A new 'Back-up Servicing Agreement', whereby Blue Factor S.p.A. was appointed Back-up Servicer of the Transaction;
v. A new 'Administrative Services Contract', whereby the Company appointed KPMG Fides Servizi di Amministrazione as Administrator of the Corporate Activities (replacing CH S.p.A.);
vi. "General Amendment Agreement", in which the various contracts of the Transaction were amended to incorporate the Partial Unwinding and the subsequent adjustment of the structure. It also includes the appointment of ICS Crediti e Partecipazioni S.r.l. as the new Computation Agent (replacing CH S.p.A.).

PARTIES INVOLVED IN THE OPERATION

The parties involved in different capacities in the transaction are set out in the table below.

Issuer/Buyer of receivables

Pontormo RMBS Srl, a limited liability company incorporated pursuant to Article 3 of Law 130/99, tax code, VAT no. and Company Register no. 06272000487, fully paid-up share capital of € 10,000, registered in the List of securitisation vehicle companies held by the Bank of Italy pursuant to the Order of 7 June 2017 under no. 35039.9, whose registered office is located in Empoli (FI), via Cherubini 99.

Transferor / Servicer

Banca Cambiano 1884 S.p.A., a bank incorporated in Italy as a joint-stock company, enrolled in the Register of Banks kept by the Bank of Italy pursuant to Article 13 of the Consolidated Banking Law under No. 5667, with registered office in Viale Antonio Gramsci, 34 - 50132 Florence ("Banca Cambiano").

Agent Bank / Transaction Bank / Paying Agent

The Bank of New York Mellon SA/NV, Milan branch, a company incorporated under the laws of Belgium, operating through its subsidiary located at 13, Via Mike Bongiorno, 20124, Milan, Italy, ('BNYM').

Operating Bank

Banca Cambiano 1884 S.p.A., a bank incorporated in Italy as a joint-stock company, enrolled in the Register of Banks kept by the Bank of Italy pursuant to Article 13 of the Consolidated Banking Law under No. 5667, with registered office in Viale Antonio Gramsci, 34 - 50132 Florence ("Banca Cambiano").

Representative of the Noteholders / Corporate Services Provider / Back-up Computation Agent

KPMG Fides Servizi di Amministrazione SpA, a joint-stock company incorporated in Italy, registered with the Register of Companies of Milan, Italy, under No. 00731410155, with its registered office at Via Vittor Pisani 27, Milan (MI), Italy, operating through its office in Rome, at Via Eleonora Duse, 53 ("KPMG").

Computation Agent

ICS Crediti e Partecipazioni S.r.l, a limited liability company, registered with the Companies' Register of Parma under No. 03746101207, with registered office in Borgo della Salnitrara 3, Parma, Italy, and operating through its operational office in Bologna, Via G. Mezzofanti, 5 ('ICS').

Quotaholders
(i) Stichting Muitenburg, a foundation under Dutch law with its registered office at Hoogoorddreef 15, 1101BA, Amsterdam (The Netherlands), registered in the Amsterdam Commercial Register under 55248780, and (ii) CH S.p.A.

Rating Agencies
Fitch Italia S.p.A. ('Fitch') and SCP Global Ratings Italy S.R.L. ('SCP').

Arranger
Banca Akros SpA, a bank incorporated in Italy as a joint-stock company, with registered office at Viale Eginardo 29, 20149 Milan, Italy, fully paid-up share capital of EUR 39,433.803, registered with the Companies' Register of Milan under number 03064920154 and with the register of banks kept by the Bank Italy under number 5328, a member of the "Banco BPM" banking group, subject to the management and coordination ("management and coordination activities"), of Banco BPM, authorised to carry out activities in Italy pursuant to the Consolidated Banking Act ("Banca Akros").

Legal Advisor
Orrick, Herrington C Sutcliffe.

ALLOCATION FLOWS FROM THE PORTFOLIO
The following is a schematic summary of the allocation of cash flows from assigned receivables. The items described in the order of payment shown have a scalar and priority nature, in that they are only satisfied if sufficient funds remain after the previous item has been paid:

a) all taxes and fees necessary to preserve the existence of the Issuer and all costs and fees that must be paid to maintain the rating of the Securities;
b) fees, expenses and all other amounts due to the Representative of the Noteholders;
c) amount necessary to ensure that the credit balance of the Expenses Account on the Payment Date is equal to the Retention Amount;
d) fees, expenses and other amounts due and payable for the Back-up Computation Agent, the Agent Bank, the Transaction Bank, the Operating Bank, the Computation Agent, the Paying Agent, the Corporate Services Provider, the Back-up Servicer and the Stichting Corporate Services Provider.
e) Servicing fees due to the Servicer;
f) Interest due and payable on Class A2 Securities;
g) amount necessary to ensure that the credit balance of the Cash Reserve Account on the Payment Date is equal to the Target Cash Reserve Amount;
h) Repayment of principal due on Class A2 Securities on the Payment Date;
i) (i) Any amounts owed by the vehicle to the originator as repayment of an indemnity paid by the originator to the vehicle under the guarantee and indemnity agreement (ii) Any amounts owed by the vehicle to the servicer under the servicing agreement that have not been paid in the preceding paragraphs
j) Only on the first payment date, to pay the Originator the accrued interest.
k) Pay (a) to the originator any amount due in respect of purchase price adjustments in respect of claims not listed in the assignment agreement but which met the criteria listed therein and any amount due from the vehicle under the guarantee and indemnity agreement (other than those set out in paragraph 9 above) and (b) to the class B underwriter or the originator any amount due from the vehicle under the subscription agreement.
l) Any amount due to originator as reimbursement of the insurance price and related expenses advanced by it under the assignment contract.
m) Interest due and payable on Class B2 Securities.
n) From the Payment Date on which the Class A Securities will be repaid in full, the repayment of principal on the Class B2 Securities.
o) After full and final settlement of all payments due under the Priority Order and full redemption of all securities, payment of any surplus on the vehicle's current accounts in favour of Banca Cambiano.

C. Securitisation Transactions

Information of a qualitative nature
Starting from the end of September 2023, Banca Cambiano is involved as Originator, Servicer and Junior Noteholder in the securitisation transaction "Pontormo SME 2023" (the "Transaction"), which uses, as a vehicle company, Pontormo SME 2023 s.r.l., a company whose exclusive purpose is to carry out one or more credit securitisation transactions and which is registered under No. 48473.3 in the list of vehicle companies kept by the Bank of Italy. In the following, we will illustrate the purpose of Pontormo SME 2023 transaction, the main characteristics of the notes issued and a selection of quantitative information relating to the 2024 financial year.

Purpose and structure of Operation Pontormo SME 2023
The objective set by the Bank with the launch of the Transaction was to transform a part of the assets employed (loans granted to SMEs and assisted by the guarantee issued by the Central Guarantee Fund) into an ABS type note (Class A), which could contribute, through subscription of the same by a third party investor, to the lengthening and stabilisation of the liabilities, with benefits in terms of the NSFR indicator. The Transaction began with the signing of the sale agreement on 6 September 2023, through which the Bank sold a portfolio of loans that are characterised as loans identifiable in a block pursuant to the Securitisation Law, classified as "performing" in accordance with current supervisory regulations and deriving from loan agreements granted to SMEs and assisted by the guarantee issued by the Central Guarantee Fund for SMEs. Below are some of the main general eligibility criteria for assigned loans:

- Financing is denominated in euro;
- The loans benefit from a guarantee from the Fondo Centrale di Garanzia PMI, established pursuant to Article 2(100)(a) of Law No. 662 of 23 December 1996;
- The loans are disbursed to borrowers who, in accordance with the classification criteria adopted by the Bank of Italy in its Circular 140 of 11 February 1991 (as subsequently amended), are included in one of the following SAE (sector of economic activity) categories SAE code 614 (excluding personal loans and residential housing loans granted to individuals), SAE code 615 (excluding personal loans and residential housing loans granted to individuals), SAE code 430, SAE code 432, SAE code 450, SAE code 480, SAE code 481, SAE code 482, SAE code 490, SAE code 491,
SAE code 492;
- The loans have been fully disbursed, have no overdue and unpaid instalments, are variable-rate, and mature between the end of August 2026 and the end of August 2033;
- No person is an employee and/or director of the Bank is a shareholder of the Bank.

The Bank acts as Servicer of its portfolio transferred to the vehicle.

Q As consideration for the purchase of the loans, the SPV paid the Bank a price of EUR 122,376,127.21, corresponding to the outstanding debt of the transferred portfolio as of the reference date (31 August 2023). The purchase of the portfolio was financed by the SPV through the issue on 25 September 2023, pursuant to Articles 1 and 5 of the Securitisation Law, of the following classes of securities:

- Senior (Class 'A' security): EUR 100,000,000
- Junior (Class 'J' title): euro 24,627,000

The Senior security was subscribed by Banco BPM S.p.A, while the Junior security, which finances not only the purchase of the portion of the portfolio not covered by the proceeds of the Senior security but also Cash Reserve, Retention Amount and expenses at the closing of the transaction, was subscribed by Banca Cambiano.

Subscriber	Isin	Class	Nominal at issue	Outstanding amount to 31.12.2024	Outstanding amount post redemption 27.01.2025
Banco BPM S.p.A	IT0005562597	Class A	100.000.000	66.314.091	58.494.647
Cambiano Bank	**IT0005562613**	**Class J**	**24.627.000**	**24.627.000**	**24.627.000**

The securities are all managed in dematerialised form at Monte Titoli S.p.A. and neither is listed nor rated. The Senior security bears interest at a variable interest rate indexed to the 3-month Euribor plus a spread of 1.25%, while the Junior security, on the other hand, has no fixed coupon and will not receive any flow until the Senior security is fully redeemed. Put another way, until the Senior security is fully repaid, all flows from the portfolio in excess of the payment fees and interest on the Class A security are used to repay the principal of the latter. All payments on the transaction (fees, interest and principal) are paid quarterly (on the 25th of January, April, July and October).

Below are the characteristics of the securities issued:

Class A
Currency: Euro
Amount at Issue: 100,000,000
Rate: Euribor 3M+ spread 1.25% (floor at 0% on finished rate)
Coupon: quarterly Legal
maturity: July 2043
Repayment: amortisation linked to recoveries on underlying receivables
Rating as at 31.12.2024: non-returned
Quotazione: unlisted ISIN:
IT0005562597
Applicable law: Italian law.
Underwriter: Banco BPM S.p.A

Class J
Currency: Euro
Amount at Issue: 24,627,000
Rate: additional yield (only upon redemption of the senior bond) Coupon: quarterly
(only upon redemption of the senior bond)
Legal term: July 2043
Repayment: amortisation linked to recoveries on the underlying loans (only when the senior bond has been repaid)
Rating as at 31.12.2024: unlisted Q
Listing: unlisted
ISIN: IT0005562613
Applicable law: Italian law Underwriter:
Banca Cambiano

Junior securities include in their amount:

- a cash reserve ("Cash Reserve Amount") equal to 2% of the nominal amount of the Senior Note issued, i.e., equal to €2,000,000. Neither an amortisation of the cash reserve nor a possible utilisation of the same is foreseen, which therefore remains at the disposal of the vehicle in liquid form, contributing, where necessary, to the amount of funds available (and therefore constituting a guarantee in favour of the Senior Noteholder).
- the sum necessary to set up an expense reserve ("Retention Amount") of EUR 20,000. This is an expense fund at the disposal of the vehicle set up by the facility to meet the vehicle's operating costs. At each quarterly settlement, on the basis of the costs incurred and documented, this account/expense fund will be replenished to the predetermined amount of euro 20,000.00.
- the costs of structuring the Transaction (EUR 230,570.46).

At the closing date of the transaction, the flows involving Banca Cambiano were:

- Inflows of EUR 100,000,000 as consideration for the transfer of the portfolio to the SPV (the consideration for the remaining component of the transferred portfolio was offset through the subscription of the Junior Note);
- Outflow EUR 2,250,872.79 to finance the cash reserve (EUR 2,000,000) and the expenditure reserve (EUR 20,000) and to cover costs at closing (EUR 230,872.79, including rounding).

Selected quantitative information as at 31/12/2024
Below is a selection of some of the key quantitative information concerning the transaction under review. Unless otherwise specified, the values are in euro units and refer to 31 December 2024.

Securitised Assets

Securitised loans at the end of 2024 are equal to the purchase price of securitised loans, net of amounts to be received for collections pertaining to the year, but not yet transferred by the Servicers, and increased by interest accrued and due as at 31 December 2024.

	31/12/2024
Securitised performing loans	82.773.731
Overdue interest receivables not yet collected	65.077
Total	**82.838.808**

The following table shows the securitised assets outstanding as at 31 December 2024, classified according to of their remaining life.

	Balance as at 31/12/2024	Incidence %
Up to 3 months	0,00	0,00%
3 to 6 months	0,00	0,00%
6 to 12 months	6.137	0,01%
12 to 60 months	63.089.352	76,22%
More than 60 months	19.678.242	23,77%
Total	**82.773.731**	**100,00%**

Lastly, the degree of portfolio breakdown as at 31 December 2024 is shown by category

	Number of positions	Balance as at 31/12/2024
Up to 25,000	257	4.266.863
From 25,000 to 75,000	385	17.136.488
From 75,000 to 250,000	295	38.596.466
Over 250,000	54	22.773.914
Total	**GG1**	**82.773.731**

Use of availability

Description	31/12/2024
Cash at BNY account no. 6988649780 (Expenses Acc.)	14.831
Cash at BNY account no. 6988619780 (Cash Reserve Acc.)	2.011.510
Cash at BNY account no. 6988639780 (Payment Acc.)	1.898
Cash at BNY account no. 6988629780 (Collection Acc.)	8.598.849
Receivables from Servicers for collections to be received	12.137
Accrued interest income on securitised loans	406.479
Withholding tax credits on bank interest income	117.077
Total	**11.162.780**

Interest on securities issued (accrual basis)

	31/12/2024
Interest expenses on Class A securities	4.091.242
Additional return	1.753.186

Fees and commissions charged to the operation

During the financial year 2024, the commissions and fees charged to the operation consisted of the items detailed in the following table:

Description	31/12/2023
Servicing fees (Banca Cambiano)	106.254
Computation Agent Fees	25.135
Sub Computation Agent Fees	1.297
Back Up Servicer Fees	15.518
Compensation Representative of the Noteholders	8.540
Compensation Account Bank, Cash Manager, Principal Paying Agent	9.000
More	52.999
Total	**218.743**

Interest generated by securitised assets

The total portfolio of securitised loans accrued the following amounts of interest on 31 December 2024:

	31/12/2024
Interest on securitised loans	5.675.797
Early termination penalties	27.681
Other income	359.693
Total	**6.063.171**

INDICATION OF SIGNED CONTRACTS

In order to implement the Securitisation Transaction, it was necessary to enter into the following contractual documentation:

- "Sale Agreement", by virtue of which the Company acquired the loan portfolio from Banca Cambiano for consideration, en bloc and without recourse;
- "Guarantee and Indemnity Agreement", pursuant to which the Bank has made certain representations and warranties, given certain indemnities, and assumed certain indemnity obligations in relation to the Receivables and their assignment to the Company;
- "Servicing Agreement", whereby the Company appointed Banca Cambiano as the entity responsible for the administration, management, collection, recovery and collection of the relevant Receivables (including, for the sake of clarity, any non-performing receivables);
- "Administrative Services Contract", whereby the Company awarded KPMG Fides Services to Administration S.p.A. the position of Director of Corporate Activities;
- "Stichting Administrative Services Agreement" (Stichting Corporate Services Agreement);
- "Back-up Servicing Agreement", whereby the Company appointed Zenith Service S.p.A. as back-up servicer, i.e., the appointment to act as replacement Servicer in the event of revocation of Banca Cambiano's appointment as Servicer under the Servicing Agreement;
- "Cash Allocation, Management and Payment Agreement" between the Company, Banca Cambiano, The Bank of New York Mellon SA/NV - Milan Branch, Zenith Service S.p.A., KPMG Fides Servizi di Amministrazione S.p.A. and ICS Crediti e Partecipazioni S.r.l;
- "Intercreditor Agreement" between, inter alios, the Company, Banca Cambiano, The Bank of New York Mellon SA/NV - Milan Branch, Zenith Service S.p.A., KPMG Fides Servizi di Amministrazione S.p.A. and ICS Crediti e Partecipazioni S.r.l;
- "Senior Notes Subscription Agreement" between the Company, KPMG Fides Servizi di Amministrazione S.p.A., Banca Cambiano, Banco BPM S.p.A and Banca Akros S.p.A.;
- "Junior Notes Subscription Agreement" between the Company, KPMG Fides Servizi di Amministrazione S.p.A. and Cambiano Bank;
- "Shareholders' Agreement" between the Company, Stichting Ursa Major and ICS Crediti e Partecipazioni S.r.l;
- "Mandate Agreement" between the Company and KPMG Fides Servizi di Amministrazione S.p.A.
- "Information Memorandum.

PARTIES INVOLVED IN THE OPERATION

The parties involved in different capacities in the transaction are set out in the table below.

Issuer/Purchaser of claims

Pontormo SME 2023 Srl, a limited liability company incorporated pursuant Article 3 of Law 130/99, tax code, VAT number and Company Registry No. 17249061007, fully paid-up share capital of €10,000, registered in the List of securitisation vehicle companies held by the Bank of Italy pursuant to Order No. 48473.3 of 7 June 2017, whose registered office is located in Rome, via Curtatone 3.

Originator / Servicer

Banca Cambiano 1884 S.p.A., a bank incorporated in Italy as a joint-stock company, registered under number 5667 in the Register of Banks kept by the Bank of Italy pursuant to Article 13 of the Consolidated Banking Law, with registered office in Viale Antonio Gramsci, 34 - 50132 Florence ("Banca Cambiano").

Account Bank / Paying Agent

The Bank of New York Mellon SA/NV, Milan Branch, a company incorporated under the laws of Belgium, operating through its subsidiary located at 13, Via Mike Bongiorno, 20124, Milan, Italy, ('BNYM').

Corporate Services Provider / Representative of the Noteholders / Back-up Calculation Agent

KPMG Fides Servizi di Amministrazione SpA, a joint-stock company incorporated in Italy, registered with the Companies' Register of Milan, Italy, under No. 00731410155, with its registered office in Via Vittor Pisani 27, Milan (MI), Italy, operating through its office in Rome, Via Curtatone, 3 ("KPMG").

Calculation Agent
ICS Crediti e Partecipazioni S.r.l, a limited liability company, registered with the Companies' Register of Parma under No. 03746101207, with registered office in Borgo della Salnitrara 3, Parma, Italy, and operating through its operational office in Bologna, Via G. Mezzofanti, 5 ('ICS').

Stichting Corporate Services Provider
MCG Trustee Company Limited, a company incorporated under the laws of England and Wales, having its registered office at 10 Fenchurch Avenue, London, EC3M 5AG.

Back-up Servicer
Zenith Service S.p.A, a joint-stock company, registered with the Milan - Monza - Brianza - Lodi Companies' Register at No. 02200990980, with registered office at Corso Vittorio Emanuele II, 24/28, Milan, Italy and registered under No. 32590.2 of the Financial Intermediaries pursuant to Article 106 of the Consolidated Banking Act ("Zenith").

Quotaholders
(i) Stichting Ursa Major, a foundation under Dutch law with its registered office at Locatellikade, 1, 1076 AZ, Amsterdam (The Netherlands), registered in the Amsterdam Commercial Register under number 865414038, and (ii) ICS.

Arranger
Banca Akros SpA, a bank incorporated in Italy as a joint-stock company, with registered office at Viale Eginardo 29, 20149 Milan, Italy, fully paid-up share capital of € 39,433.803, registered with the Companies' Register of Milan under number 03064920154 and with the Register of Banks kept by the Bank of Italy under number 5328, a member of the "Banco BPM" banking group, subject to the management and coordination ("management and coordination activities"), of Banco BPM, authorised to carry out activities in Italy pursuant to the Consolidated Banking Act ("Banca Akros").

Legal Advisor
(i) Orrick, Herrington C Sutcliffe and (ii) Chiomenti.

ALLOCATION FLOWS FROM THE PORTFOLIO

The following is a schematic summary of the allocation of cash flows from assigned receivables. It should be noted that the items described in the order of payment shown have a scalar and priority nature, in that they are only satisfied if sufficient funds remain after the previous item has been paid:

i. taxes and expenses necessary to preserve the existence of the Issuer;
ii. the amount necessary to ensure that the credit balance of the Expenses Account on the Payment Date is equal to the Retention Amount;
iii. commissions, expenses and all other amounts due and payable for counterparties to the Transaction, including the fees to be paid to the Servicer for its activities in the management of securitised loans;
iv. interest due and payable on the Class A Senior Note;
v. the amount necessary for the balance of the Cash Reserve Account to equal the Cash Reserve Amount;
vi. only on the first payment date, the amount of accrued income to be paid to the Originator;
vii. until the Senior Note is repaid in full, the funds remaining after payment of the items above are fully utilised to repay the principal of the Senior Class A Security;
viii. Any indemnities due and payable to Arrangers and Senior Noteholders;
ix. Any other amounts due to the counterparties to the Transaction, to the extent not paid in the previous points;
x. Repayment of principal of Junior Class J Security;
xi. Possible Additional Return on the Junior Class J security.

Quantitative information

A. Financial assets sold and not fully derecognised

C.1 Exposures arising from the main 'own' securitisation transactions broken down by type of assets securitised and by exposure type - Part 1

Type of securitised assets/exposures	Cash exposures					
	Senior		Mezzanine		Junior	
	Value of budget	Rectif./repr. of value	Value of budget	Rectif./repr. of value	Value of budget	Correction/repr. of value
C. Not removed from the balance sheet						
C.1 Pontormo SME s.r.l.	59.914	-628	0	0	22.250	-233

C.1 Exposures arising from the main 'own' securitisation transactions broken down by type of assets securitised and by exposure type - Part 2

Type of securitised assets/exposures	Guarantees Issued					
	Senior		Mezzanine		Junior	
	Exposure net	Rectif./repr. of value	Exposure net	Rectif./repr. of value	Exposure net	Rectif./repr. of value
C. Not removed from the balance sheet						
C.1 Financing	0	0	0	0	0	0

C.1 Exposures arising from the main 'own' securitisation transactions broken down by type of assets securitised and by exposure type - Part 3

Type of securitised assets/exposures	Credit Lines					
	Senior		Mezzanine		Junior	
	Exposure net	Rectif./repr. of value	Exposure net	Rectif./repr. of value	Exposure net	Rectif./repr. of value
C. Not removed from the balance sheet						
C.1 Financing	0	0	0	0	0	0

C.3 Securitisation Special Purpose Vehicles

Securitisation Name/Company Name vehicle	Registered office	Consolidation	Activities			Liabilities		
			Credits	Titles of debt	More			
PONTORMO SME 2023 SRL	Rome - Via Curtatone 3	NO	8.568	0	0	0	0	0

E. Divestment transactions

A. Financial assets sold and not fully derecognised

Information of a qualitative and quantitative nature

E.1 Transferred Financial Assets Recognised in Full and Associated Financial Liabilities: Carrying Values

Technical Forms/Wallet	Financial assets sold recognised in full				Associated financial liabilities		
	Balance sheet value	of which: subject to securitisation transactions	of which: subject to sale-leaseback contracts buyback	of which impaired	Balance sheet value	of which: subject to securitisation transactions	of which: subject to sale-leaseback contracts buyback
A. Financial assets held for negotiation				X			
1. Debt Securities	0	0	0	X	0	0	0
2. Equity Securities	0	0	0	X	0	0	0
3. Financing	0	0	0	X	0	0	0
4. Derivatives	0	0	0	X	0	0	0
B. Mandatory financial assets measured at fair value							
1. Debt Securities	0	0	0	0	0	0	0
2. Equity Securities	0	0	0	X	0	0	0
3. Financing	0	0	0	0	0	0	0
C. Financial Assets designated at fair value							
1. Debt Securities	0	0	0	0	0	0	0
2. Financing	0	0	0	0	0	0	0
D. Financial assets measured at fair value with impact on profitability total							
1. Debt Securities	97.060	0	97.060	0	97.045	0	97.045
2. Equity Securities	0	0	0	X	0	0	0
3. Financing	0	0	0	0	0	0	0

Technical Forms/Wallet	Financial assets sold recognised in full				Associated financial liabilities		
	Balance sheet value	of which: subject to securitisation transactions	of which: subject to sale-leaseback contracts buyback	of which impaired	Balance sheet value	of which: subject to securitisation transactions	of which: subject to sale-leaseback contracts buyback
C. Financial assets measured at cost damped							
1. Debt Securities	35.275	0	35.275	0	31.879	0	31.879
2. Financing	82.164	82.164	0	2.056	66.849	66.849	0
Total 31/12/2024	**214.4GG**	**82.164**	**132.335**	**2.056**	**1G5.774**	**66.84G**	**128.G24**
Total 31/12/2023	**33G.101**	**112.4GG**	**226.602**	**40**	**316.G81**	**101.413**	**215.568**

E.3 Disposal Transactions with Liabilities Recourse Only to Assets Sold and Not Derecognised in Full: Fair Value

Technical Forms/Wallet	Detected for whole	Partially detected	Total	
			31/12/2024	31/12/2023
A. Financial assets held for negotiation				
1. Debt Securities	0	0	0	0
2. Equity Securities	0	0	0	0
3. Financing	0	0	0	0
4. Derivatives	0	0	0	0
B. Mandatory financial assets measured at fair value				
1. Debt Securities	0	0	0	0
2. Equity Securities	0	0	0	0
3. Financing	0	0	0	0
C. Financial assets designated at fair value				
1. Debt Securities	0	0	0	0
2. Financing	0	0	0	0
D. Financial assets measured at fair value with impact on overall profitability				
1. Debt Securities	97.060	0	97.060	97.060
2. Equity Securities	0	0	0	0
3. Financing	0	0	0	0
E. Financial assets measured at cost amortised (fair value)				
1. Debt Securities	35.275	0	35.275	35.275
2. Financing	82.164	0	82.164	82.164
Total financial assets	**214.4GG**	**0**	**214.4GG**	**214.4GG**
Total associated financial liabilities	**1G5.774**	**0**	**X**	**#VALUE!**
Net value as at 31/12/2024	**18.726**	**0**	**18.726**	**X**
Net value as at 31/12/2023	**20.587**	**0**	**X**	**20.587**

With regard to loans to customers and amounts due to customers, the fair value used in the table is equal amortised cost.

Section 2 - Market Risks

For the purposes of compiling this section, only financial instruments (assets and liabilities) falling within the "supervisory trading book", as defined in the rules on supervisory reporting on market risks (see Circular No. 286 of 17 December 2013 issued by the Bank of Italy), are considered.

Information of a qualitative nature

A. General Aspects

The Bank primarily engages in proprietary trading in financial instruments exposed to the risk of interest rate.

The strategy underlying proprietary trading meets both treasury needs and the objective of maximising the risk/return profile of portfolio investments in terms of interest rate risk and counterparty credit risk.

Trading activities mainly trading in bonds.

B. Interest rate risk and price risk management processes and measurement methods

The 'Finance Area' Regulations set both operational limits (in terms of both portfolio size and composition by type of securities) and exposure to interest rate risk (in terms of financial duration or '*duration*').
At its meeting on 16.01.2020, the Board of Directors approved the Interest Rate Risk Policy, including a methodological appendix, which was subsequently updated at its meeting on 27.11.2024.

Quantitative information

D.2.1.1 Regulatory trading portfolio: distribution by residual maturity (repricing date) of cash financial assets and liabilities and financial derivatives - All currencies

Type/Remaining duration	At sight	Up to 3 month s	From more than 3 months up to at 6 months	From more than 6 months up to at 1 year	Over 1 year up to at 5 years	Over 5 years up to at 10 years	Over 10 years	Indefinite duration inata	Total
1. Cash assets									
1.1 Debt Securities									
- with option of early repayment	0	0	0	0	0	0	0	0	**0**
- others	0	7.226	5.452	1.808	65.316	5.545	697	0	**86.043**
1.2 Other activities	0	0	0	0	0	0	0	0	**0**
2. Cash liabilities									
2.1 P.C.T. liabilities	128.924	0	0	0	0	0	0	0	**128.G24**
2.2 Other Liabilities	0	0	0	0	0	0	0	0	**0**
3. Financial derivatives									
3.1 With underlying title									
- Options									
+ long positions	0	0	0	0	0	0	0	0	**0**
+ short positions	0	0	0	0	0	0	0	0	**0**
- Other derivatives									
+ long positions	0	228.762	0	0	0	0	0	0	**228.762**
+ short positions	0	228.543	0	0	0	0	0	0	**228.543**
3.2 Without underlying title									
- Options									
+ long positions	0	0	0	0	0	0	0	0	**0**
+ short positions	0	0	0	0	0	0	0	0	**0**
- Other derivatives									
+ long positions	422	0	0	0	0	0	0	0	**422**
+ short positions	420	0	0	0	0	0	0	0	**420**

2.1.2 Regulatory trading portfolio: distribution of equity and equity index exposures by major market listing countries

Type of transaction/Quotation index	Quotati			Unlisted
	Country 1	Country 2	Country 3	
A. Equity Securities				
- long positions	3.812	610	305	300
- short positions	0	0	0	0
B. Unsettled trades in securities of capital				
- long positions	0	0	0	0
- short positions	0	0	0	0
C. Other Equity Derivatives				
- long positions	0	0	0	0
- short positions	0	0	0	0
D. Equity Index Derivatives				
- long positions	0	0	0	0
- short positions	0	0	0	0

2.2 Interest rate risk and credit spreads in the banking book

Information of a qualitative nature

Interest Risk in Banking Book (IRRBB) is generated by the mismatch between the maturities (repricing) of assets and liabilities belonging to the banking book. Quis made up of all financial instruments, assets and liabilities, not included in the trading portfolio within the meaning of supervisory regulations.
The Finance Department is directly responsible for the operational management of interest rate risk within the guidelines provided by the Board of Directors.

When the thresholds approved by the Board are exceeded, the Finance Area promptly intervenes, on the advice of the General Manager, after consulting the Risk Management Function, in order to bring the interest rate risk exposure back within the defined thresholds; in particular:

- sets up micro-hedge and macro-hedge transactions to hedge medium- to long-term asset/liability items;
- collaborates with Risk Management in determining new interest rate indexing structures for commercial funding/lending products, which are then communicated to the relevant corporate functions;
- sets up transactions to hedge short-term asset/liability items, providing the General Manager and Risk Management with timely information on the actions taken and their impact on rate risk mitigation.

The interest rate risk control process outlines how the limits set on risk indicators are monitored and the *remediation* process if they are exceeded.
Checks on compliance with the limits take place quarterly and are entrusted to the Risk Management Function, which produces specific reports in order to allow the relative disclosure of information. Depending on the level of seriousness of the exceeding of limits, different actions are envisaged to mitigate interest rate risk:

- ***early warning*** is intended as a warning threshold for which no corrective/risk management action is required;
- the **operational** limit is understood as a risk limit whose exceeding necessarily requires corrective/risk management actions.

The identification and measurement of the interest rate risk of the banking book (IRRBB) of the Group complies with the methodology set forth in Technical Standards EBA/RTS/2022/09, EBA/RTS/2022/10 and EBA/GL/2022/14 later incorporated in Circular 285/2013, Part One, Title III, Chapter 1, Annexes C and C-bis with the 44th and subsequent updates.
The scope includes all assets, liabilities and off-balance sheet items outside the trading book that are sensitive to changes in interest rates (excluding assets deducted from primary tier 1 capital, e.g. real estate or intangible assets or exposures in equity instruments outside the trading book).
The impacts on IRRBB are measured using the Economic Value of Equity (EVE) and Net Interest Income (NII) perspectives. The first (EVE) analyses the impacts of the six prudential rate shocks defined by the Basel Committee on the economic value of equity with reference to the entire remaining life of the balance sheet items. The second (NII) measures the expected net profitability over a 12-month time horizon following only the parallel rate shocks under a constant balance sheet assumption (whereby maturing items over the time horizon are replaced with similar instruments in terms of amount and type of rate). The income profile also considers possible changes in the market value (MV) of financial instruments sensitive to interest rate movements, which have a direct impact on the income statement or overall profitability.
The impacts, both on capital and net interest income, are calculated with reference to: i) the levels of interest rates observed at the reporting date (the so-called baseline scenario); and ii) different prudential rate shock scenarios defined by the Supervisory Authority (6 shocks for EVE and 2 for NII). The planned stress scenarios are based on regulatory scenarios, according to the guidelines issued by the European Banking Authority in 2018[8]:

- Parallel up - parallel shock rising;
- Parallel down - parallel shock in reduction;
- Steepener - increasing the slope of the curve;
- Flattener - reducing the slope of the curve;
- Short rate shock up - rise in short-term rates;
- Short rate shock down - reduction in short-term rates.

The differences between the values estimated in the shock scenarios and the corresponding values calculated in the baseline scenario define the amount of sensitivity to changes in rates (ΔEVE, ΔNII and). The sensitivity for EVE and NII are called "EVE under worst scenario" and "NII under worst scenario", respectively, and constitute the reference metrics for the regulatory attention indicator, i.e. the Supervisory Outlier Test (SOT). The SOT tests whether or not the change in value corresponding to the worst-case scenario is within predefined materiality thresholds of 15% for EVE and 5% for NII of Tier 1.

[8] *For the definition of scenarios, please refer to the documentation "EBA/GL/2018/02 - EBA Guidelines on the management of interest rate risk arising from non-trading activities (July 2018)*

For the purpose of calculating interest rate risk, so-called behavioural models are of particular relevance of certain balance sheet items included in the scope and represented by:

- **Non-Maturity Deposits (NMDs)**: By their very nature, these items have no contractually determined maturity and should therefore be treated, in the absence of behavioural models, as demand liabilities. In order to provide a representation more in keeping with the substance of these relationships, modelling is required to distinguish the stable (core) portion, which can be spread across maturity bands of up to a maximum of five years, from the non-stable (non-core) portion, which must be kept on demand. The percentage to be used to identify the core component, for each counterparty considered, must be differentiated according to the assumed interest rate shock scenario, being in the lower values of the respective ranges in the case of an upward shock, and in the upper values in the case of a downward shock. The core component is then allocated to the time bands following the on-demand band in proportion to the number of months they contain, assuming a maximum duration of 5 years for retail transactional counterparties, 4.5 years for retail non-transactional counterparties and 4 years for wholesale non-financial counterparties. The remaining amount (the so-called "non-core component") is allocated in the on-demand band. The Bank has adopted a behavioural model for on-demand items, which complies with the technical standards issued by the EBA (EBA/RTS/2022/09), in use as of 30.09.2024.
- **Fixed-rate loans with prepayment risk** Positions on fixed-rate loans to retail counterparties exposed to prepayment risk, if material, may be represented by considering an annual prepayment rate of between 4% and 6%, with a linear distribution of the prepayment amounts, depending, for each time band, on the amount and size of the time band. The prepayment rate is to be differentiated according to the assumed interest rate shock scenario, being in the lower values in the case of an upward shock and in the upper values in the case of a downward shock.
- **Fixed term deposits with early redemption risk (**early redemption): Fixed term deposit positions with retail counterparties exposed to early redemption risk (early redemption), if material, can be represented by considering an early redemption rate differentiated between upward and downward shocks, with the "on demand" band of the corresponding amount subject to early redemption allocated. In the case of an upward shock, a maximum cumulative rate of 8% increasing per band (1% of the reported amount in bands up to 3 months, 3% up to 6 months, 5% up to 12 months, 8% over 12 months) may be used; in the case of a downward shock, a rate of 1% (constant) may be used.

Currently, the calculation model used by the Group takes into account neither Prepayment Risk nor Early Redemption Risk. The implementation of the model is part of the plan of activities to be carried out with the support of the IT outsourcer in 2025.

In addition to interest rate risk in the banking book (IRRBB), the Bank also monitors Credit Spread Risk in the Book (CSRBB) at least annually. This risk is determined by changes in the market price for credit risk, liquidity and other potential characteristics of credit risk instruments, which is not captured another existing prudential framework. The CSRBB recognises the risk of a change in the spread of an instrument assuming the same level of creditworthiness, i.e. the trend in the credit spread within a given rating/PD range.
The CSRBB aims to detect the combination of two main elements:
- changes in the market credit spread or market price of credit risk, which represents the credit risk premium charged by market participants for a given creditworthiness. It differs from the idiosyncratic credit spread, defined as the counterparty-specific credit risk, which takes into account both the reference environment (such as the economic sector and geographic area) in which the counterparty operates and the specific characteristics of the credit instrument (e.g. whether it is a secured or unsecured bond) .
- changes in the market liquidity spread, which represents the liquidity premium that is a function of the market's appetite for investment and the presence of available buyers and sellers. In this , the spread, similarly to the credit spread, is related to the liquidity of different instruments belonging to a certain rating class rather than to a specific instrument.

For the purpose of identifying the scope of the CSRBB, the Bank does not exclude ex ante any instrument from the banking book, including assets, liabilities, derivatives and other off-balance sheet items such as loan commitments, regardless of their accounting treatment. The following have been preliminarily included

securities in the banking portfolio that have a market valuation. In addition, other items in the banking portfolio, while not presenting a directly observable market value, may also be considered sensitive to changes in credit spreads (e.g. loans and amounts due to customers). For this reason, separate measurements are made with reference only to the securities portfolio and to the overall items of the banking portfolio considered sensitive to changes in credit spreads. In the latter situation, different assumptions are made with regard to the way in which on-demand liability items are calculated in terms of their distribution across maturity bands.
The impacts on the CSRBB are measured using the Economic Value of Equity (EVE) and Net Interest Income (NII) perspectives. Based on the time series of credit spreads on the different types identified, the following different scenarios are constructed, on the basis of which the measurements in terms of changes in economic value and net interest income are then made:

a. 1st percentile of the time series of credit spreads;
b. 99th percentile of the time series of credit spreads.

The Risk Management Function is responsible for periodically verifying (at least quarterly) the *stress tests*, implemented in such a way as to monitor that the *sensitivity* scenarios used for the stress tests are always consistent with the type of financial instruments present within the perimeter of analysis and any past and/or expected adverse market conditions.

2.2.1 Banking book: Distribution of assets and liabilities by residual maturity (by repricing date) financial liabilities - all currencies

Type/Remaining duration	At sight	Up to 3 month s	From more than 3 months up to 6 months	More than 6 months up to 1 year	Over 1 year up to 5 years	Over 5 years up to 10 years	Over 10 years	Indefinite duration ata	Total
1. Cash assets									
1.1 Debt Securities									
- with option of early repayment	0	0	0	0	0	0	0	0	**0**
- others	0	46.830	24.886	77.673	297.108	305.246	30.070	0	**781.814**
1.2 Financing to banks	116.062	148.107	0	0	0	0	0	0	**264.16G**
1.3 Financing to customers									
- c/c	19.186	1.717	4.015	2.995	6.657	10	0	0	**34.581**
- Others financing									
- with option of early repayment	584	18.740	218	1	0	0	0	0	**1G.543**
- others	2.738.407	19.704	4.627	239	49.105	19.517	20.043	0	**2.851.643**
2. Liabilities for case									
2.1 Payables to customers									
- c/c	2.681.998	59.169	4.350	81.745	673.220	81.549	0	0	**3.582.031**
- other payables									
- with option of early repayment	0	0	0	0	0	0	0	0	**0**
- others	31.890	195.774	0	0	0	0	0	0	**227.663**
2.2 Payables to banks									
- c/c	64.250	0	0	0	0	0	0	0	**64.250**
- other payables	7.607	0	0	0	0	0	0	0	**7.607**
2.3 Debt Securities									
- with option of early repayment	0	0	0	0	0	0	0	0	**0**
- others	0	0	30.003	3.061	41.745	40.973	0	0	**115.782**
2.4 Other Liabilities									
- with option of early repayment	0	0	0	0	0	0	0	0	**0**
- others	0	0	0	0	0	0	0	0	**0**
3. Derivatives financial									
3.1 With title underlying									
- Options									
+ positions long	0	0	0	0	0	0	0	0	**0**
+ short positions	0	0	0	0	0	0	0	0	**0**
- Other derivatives									
+ positions long	0	0	0	0	0	0	0	0	**0**
+ short positions	0	0	0	0	0	0	0	0	**0**

Type/Remaining duration	At sight	Up to 3 month s	From more than 3 months up to 6 months	More than 6 months up to 1 year	Over 1 year up to 5 years	Over 5 years up to 10 years	Over 10 years	Indefinite duration ata	Total
3.2 Untitled underlying									
- Options									
+ positions long	0	0	0	0	0	0	0	0	**0**
+ short positions	0	0	0	0	0	0	0	0	**0**
- Other derivatives									
+ positions long	0	1.299	0	0	0	0	0	0	**1.2GG**
+ short positions	0	65.335	589	407	0	0	0	0	**66.331**
4. Other Operations off-balance sheet									
+ positions long	5.281	163	1.617	1.942	2.883	5.046	944	0	**17.877**
+ short positions	17.877	0	0	0	0	0	0	0	**17.877**

Notes:
Long and short positions in other derivatives item 3.2 are expressed in notional values.

2.3 Exchange rate risk

Qualitative Information

A. Aspects general, processes of management and methods of measurement risk of exchange rate The exchange rate risk represents the risk of incurring losses on foreign currency transactions as a result of adverse changes in foreign currency exchange rates.

The Bank's Finance Rules define the daily global foreign exchange position limit. The objective is to have daily positions that tend to be balanced within the limits specified in the Finance Rules in force at the time.

On a daily basis, the Risk Management function carries out checks on compliance with the constraints/limits of the global position in foreign exchange. The organisational structure envisages that exchange rate risk management is delegated to the Foreign Office customer service activities and to the Securities Treasury Office for financial instruments, while exposure measurement is assigned to the Risk Management Office.

In relation to this risk, current supervisory regulations require compliance with a capital requirement equal to 8% of the "net open foreign exchange position" only if the latter exceeds 2% of own funds.

The Bank's exposure to foreign exchange risk is marginal: as at 31/12/2024, the "net open foreign exchange position" is contained within 2% of own funds, with result that the above capital requirement is no longer met.

B. Exchange rate risk hedging activities

The Bank does not have any currency hedging transactions in place.

Quantitative information

2.3.1 Distribution by currency of denomination of assets, liabilities and derivatives

Entries	Currencies						TOTAL
	US Dollar	Pound English	Franco Swiss	Dollar Canadian	JPY Japanese	Other Currencies	
A. Financial Assets							
A.1 Debt Securities	0	0	0	0	0	0	0
A.2 Equity Securities	3.308	0	610	155	0	453	4.526
A.3 Loans to Banks	4.940	153	392	216	222	373	6.297
A.4 Loans to customers	100.886	0	1.816	0	0	0	102.702
A.5 Other Financial Assets	0	0	0	0	0	0	0
B. Other activities	**33G**	**25**	**81**	**82**	**17**	**88**	**632**
C. Financial liabilities							
C.1 Due to banks	52.576	0	0	0	0	1	52.577
C.2 Due to customers	11.395	9.547	261	53	190	184	21.630
C.3 Debt Securities	0	0	0	0	0	0	0
C.4 Other Financial Liabilities	0	0	0	0	0	0	0
D. Other liabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**
E. Financial Derivatives							
- Options							
+ Long positions	0	0	0	0	0	0	0
+ Short positions	0	0	0	0	0	0	0

Entries	Currencies						TOTAL
	US Dollar	Pound English	Franco Swiss	Dollar Canadian	JPY Japanese	Other Currencies	
- Other derivatives							
+ Long positions	7.075	9.124	0	0	0	0	16.199
+ Short positions	49.208	0	2.030	251	0	96	51.585
Total assets	**116.548**	**G.301**	**2.8GG**	**453**	**23G**	**G14**	**130.355**
Total liabilities	**113.180**	**G.547**	**2.2G2**	**304**	**1G0**	**281**	**125.7G3**
Imbalance (+/-)	**3.368**	**-246**	**608**	**14G**	**50**	**633**	**4.563**

Section 3 - Derivative Instruments and Hedging Policies

3.1 Trading Derivatives

A. Financial derivatives

3.1.A.1 Financial derivatives for trading: end-of-period notional values

Underlying Assets / Derivative Types	Total 31/12/2024				Total 31/12/2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central Counterparts	Without central counterparties			Central Counterparts	Without central counterparties		
		With Compensation Agreements	Without compensation agreements e			With Compensation Agreements	Without compensation agreements e	
1. Debt securities and rates of interest								
a) Options	0	0	0	0	0	0	0	0
(b) Swap	0	0	0	0	0	0	0	0
c) Forward	0	0	0	0	0	0	0	0
(d) Futures	0	0	0	0	0	0	0	0
e) Others	0	0	0	0	0	0	0	0
2. Equities and Indices equities								
a) Options	0	0	0	0	0	0	0	0
(b) Swap	0	0	0	0	0	0	0	0
c) Forward	0	0	0	0	0	0	0	0
(d) Futures	0	0	0	0	0	0	0	0
e) Others	0	0	0	0	0	0	0	0
3. Currencies and gold								
a) Options	0	0	0	0	0	0	0	0
(b) Swap	0	0	0	0	0	0	0	0
c) Forward	0	0	66.485	0	0	0	69.865	0
(d) Futures	0	0	0	0	0	0	0	0
e) Others	0	0	0	0	0	0	0	0
4. Merci	0	0	0	0	0	0	0	0
5. Other	0	0	0	0	0	0	0	0
Total	**0**	**0**	**66.485**	**0**	**0**	**0**	**6G.865**	**0**
Average values	**0**	**0**	**68.175**	**0**	**0**	**0**	**62.1G0**	**0**

3.1.A.2 Financial trading derivatives: gross positive and negative fair value - breakdown by product

Underlying Assets / Derivative Types	Total 31/12/2024				Total 31/12/2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central Counterparts	Without central counterparties			Central Counterparts	Without central counterparties		
		With Compensation Agreements	Without compensation agreements e			With compensation agreements	Without compensation agreements e	
1. Positive fair value								
a) Options	0	0	0	0	0	0	0	0
(b) Interest rate swaps	0	0	0	0	0	0	0	0
(c) Cross currency swap	0	0	0	0	0	0	0	0
d) Equity swaps	0	0	0	0	0	0	0	0
(e) Forward	0	0	422	0	0	0	618	0
(f) Futures	0	0	0	0	0	0	0	0
g) Others	0	0	0	0	0	0	0	0
Total	**0**	**0**	**422**	**0**	**0**	**0**	**618**	**0**
2. Negative fair value								
a) Options	0	0	0	0	0	0	0	0
(b) Interest rate swaps	0	0	0	0	0	0	0	0
(c) Cross currency swap	0	0	0	0	0	0	0	0
d) Equity swaps	0	0	0	0	0	0	0	0
(e) Forward	0	0	420	0	0	0	442	0
(f) Futures	0	0	0	0	0	0	0	0
g) Others	0	0	0	0	0	0	0	0
Total	**0**	**0**	**420**	**0**	**0**	**0**	**442**	**0**

3.1.A.3 OTC financial trading derivatives: notional values, gross positive and negative fair values for counterparts

Underlying activities	Counterparts power plants	Banks	Other companies financial	Other subjects
Contracts not covered by netting agreements				
1) Debt Securities and Interest Rates				
- notional value	X	0	0	0
- positive fair value	X	0	0	0
- negative fair value	X	0	0	0
2) Equities and Equity Indices				
- notional value	X	0	0	0
- positive fair value	X	0	0	0
- negative fair value	X	0	0	0
3) Currencies and Gold				
- notional value	X	58.799	0	7.686
- positive fair value	X	277	0	145
- negative fair value	X	365	0	56
4) Merci				
- notional value	X	0	0	0
- positive fair value	X	0	0	0
- negative fair value	X	0	0	0
5) Others				
- notional value	X	0	0	0
- positive fair value	X	0	0	0
- negative fair value	X	0	0	0
Contracts under netting agreements				
1) Debt Securities and Interest Rates				
- notional value	0	0	0	0
- positive fair value	0	0	0	0
- negative fair value	0	0	0	0
2) Equities and Equity Indices				
- notional value	0	0	0	0
- positive fair value	0	0	0	0
- negative fair value	0	0	0	0
3) Currencies and Gold				
- notional value	0	0	0	0
- positive fair value	0	0	0	0
- negative fair value	0	0	0	0
4) Merci				
- notional value	0	0	0	0
- positive fair value	0	0	0	0
- negative fair value	0	0	0	0
5) Others				
- notional value	0	0	0	0
- positive fair value	0	0	0	0
- negative fair value	0	0	0	0

3.1.A.4 Residual life of OTC financial trading derivatives: notional values

Underlying/Residual life	Up to 1 year	Over 1 year and up to 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	0	0	0	**0**
A.2 Financial derivatives on equities and equity indices	0	0	0	**0**
A.3 Financial derivatives on currencies and gold	66.485	0	0	**66.485**
A.4 Financial derivatives on commodities	0	0	0	**0**
A.5 Other Financial Derivatives	0	0	0	**0**
Total 31/12/2024	**66.485**	**0**	**0**	**66.485**
Total 31/12/2023	**6G.865**	**0**	**0**	**6G.865**

3.2 Accounting cover

A. Fair Value Hedging Activities

3.2.A.1 Hedging financial derivatives: end-of-period notional values

Information of a qualitative nature

Banca Cambiano, upon first-time application of IFRS 9, exercised the option provided for by the Standard to continue to fully apply the rules of IAS 39 for all types of hedges. Therefore, the provisions of IFRS 9 on hedging do not apply.

A. Fair Value Hedging Activities

The hedging activities implemented by the Bank are aimed at immunising the banking portfolio from changes in the fair value of deposits and loans caused by movements in the interest rate curve (interest rate risk). No hedging transactions were in place at 31/12/2024.

B. Cash flow hedging activities.

The Bank no cash flow hedging operations.

C. Hedging of foreign investments

The Bank has no foreign investment hedging operations.

D. Hedging instruments

In order for a transaction to be accounted for as a 'hedging transaction', the following conditions must be met: a) the hedging relationship must be formally documented; b) the hedge must be effective at the time it begins and prospectively throughout life. Effectiveness is verified by specific records and is achieved when changes in the *fair value* of the hedging instrument almost entirely neutralise changes in the risk on the hedged instrument. The range within which a hedge is considered highly effective is between 80% and 125%. The effectiveness assessment is carried out at each balance sheet or interim (half-yearly) reporting date. If the effectiveness test shows an insufficient hedging relationship and the mismatch is deemed to be non-transitory, the derivative instrument is allocated to the trading portfolio. Derivative hedging instruments are accounted for according to the 'trade date' principle.

As at 31.12.2024, no hedging transactions were outstanding.

E. Elements covered

As at 31.12.2024, no hedging transactions were outstanding.

E.1 Debt Securities on Assets

As at 31.12.2024, no hedging transactions were outstanding.

3.2.A.2 Hedging financial derivatives: gross positive and negative fair value - breakdown by product

3.2.A.4 Residual life of OTC hedging derivatives: notional values

D. Instruments covered

3.2.D.1 Fair Value Hedges

3.3 Other information on trading and hedging derivatives

A. Financial and credit derivatives

3.3.A.1 OTC financial and credit derivatives: net fair values by counterparty

	Counterparts power plants	Banks	Other companies financial	Other subjects
A. Financial derivatives				
1) Debt Securities and Interest Rates				
- notional value	0	0	0	0
- net positive fair value	0	0	0	0
- negative net fair value	0	0	0	0
2) Equities and Equity Indices				
- notional value	0	0	0	0
- net positive fair value	0	0	0	0
- negative net fair value	0	0	0	0
3) Currencies and Gold				
- notional value	0	58.799	0	3.131
- net positive fair value	0	277	0	145
- negative net fair value	0	365	0	56
4) Merci				
- notional value	0	0	0	0
- net positive fair value	0	0	0	0
- negative net fair value	0	0	0	0
5) Others				
- notional value	0	0	0	0
- net positive fair value	0	0	0	0
- negative net fair value	0	0	0	0
B. Credit derivatives				

	Counterparts power plants	Banks	Other companies financial	Other subjects
1) Purchase protection				
- notional value	0	0	0	0
- net positive fair value	0	0	0	0
- negative net fair value	0	0	0	0
2) Protection sale				
- notional value	0	0	0	0
- net positive fair value	0	0	0	0
- negative net fair value	0	0	0	0

Section 4 - Liquidity Risk

A. General aspects, management processes and liquidity risk measurement methods

Liquidity risk management is mainly carried out by the Securities Portfolio and Treasury Department, the Budget, Planning and Management Control Department and Risk Management, with the aim of verifying the Bank's ability to efficiently meet any liquidity needs and avoid finding itself in situations of excessive and/or insufficient availability, with the consequent need to invest and/or raise funds at rates that are unfavourable compared to market rates.

The overall model adopted by the Bank for the management and monitoring of liquidity risk is divided into three distinct areas depending on the scope, time horizon and frequency of analysis:

- intra-day liquidity management, i.e. the management of daily settlement of debit and credit positions on the various settlement, payment and clearing systems in which the Bank participates;
- Operational liquidity management, i.e. the management of the most volatile events impacting the Bank's liquidity position, with the primary objective of maintaining the Bank's ability to meet its ordinary and extraordinary payment obligations, while minimising its costs;
- the management of structural liquidity, i.e. the management of all events in the banking book that impact on the Bank's overall liquidity position over the medium to long term, with the primary objective of maintaining an adequate dynamic ratio between medium to long liabilities and assets.

Significant support for liquidity risk management comes from the monitoring carried out by Risk Management, through a model that aims to detect the effects of investment/financing operations through the distribution by maturity of transactions. Operations are measured using methodologies that make it possible to assess and manage both the Bank's eventual liquidity needs/excesses generated by the imbalance of inflows and outflows, and the structural balance deriving from the correct composition by maturity of sources and uses.

In line with national and international best practices and supervisory guidelines, the model adopted by the Bank for the management and monitoring of operational liquidity is based on the "Maturity Mismatch" approach, which assumes the construction of a maturity ladder and allocation of certain and estimated flows to the various maturity time bands in order to calculate the cumulative GAP for each maturity band.

As part of its liquidity policy, the Bank has defined alerts, consistent with the risk tolerance threshold set by the Board of Directors, for both operational and structural liquidity management.

With regard to operational liquidity management, limits are defined in terms of absolute GAP values accumulated over the different deadlines.

The Bank continuously monitors the value of Counterbalancing Capacity (CBC), which is understood as the availability of assets that can be repaid, sold or used in refinancing operations with the interbank system and which therefore allow liquidity to be generated quickly and efficiently.

The limit adopted by the Bank to monitor structural liquidity risk is defined in terms of the ratio of liabilities to assets with a maturity of more than one year. The purpose of setting this limit is to ensure that a structural liquidity profile consistent with the strategy of funding medium/long-term assets with liabilities of the same maturity is maintained.

The Bank also has in place a 'Liquidity Risk Governance and Management Manual' and a 'Contingency Plan (Contingency Liquidity Plan)', as liquidity risk mitigation instruments.

The document details the persons and structures responsible for the of extraordinary funding policies to be put in place in case of need, as well as the actions to be taken to remedy them, in application of the regulatory requirements.

As part of the definition of the 'Contingency Liquidity Plan', the Bank has established a series of risk indicators, which are constantly monitored in order to anticipate possible stress situations or liquidity crises.

The liquidity indicator "Liquidity Coverage Ratio" (LCR) is calculated on the basis of the provisions of the EU Delegated Regulation 2015/61 issued to supplement the EU Regulation No. 575 of 26 June 2013 of the European Parliament (CRR Regulation), as well as the further indications and recommendations of the European Banking Authority on the subject.
With regard to Net Stable Funding Ratio (NSFR) indicator, the Bank has implemented a measurement of management on the basis of the Basel III Framework.
As of the reference date of 9 July 2019 and on a weekly basis, the Risk Management Function sends the Supervisory Board a template for monitoring the liquidity situation.
With reference to the TLTRO III refinancing operations, the Bank repaid the TLTRO III in full in the course of 2024 for a total amount of €535m, as follows
- repayment€ 200 mln on 27.03.2024 as full repayment of the auction with original maturity on 26.06.2024 (100 mln) and partial auction with original maturity 25.09.2024 (100 mln);
- repayment€ 335 mln on 25.09.2024 as full repayment of the auction with original maturity on 25.09.2024 (€ 220 mln remaining) and auction with original maturity 18.12.2024 (€ 115 mln).

At its meeting on 28 March 2025, the Board of Directors approved the update to the Funding Plan for the financial years 2025-2026. No extraordinary liquidity raising transactions are planned.
At its meeting of 28 February 2024, the Board of Directors approved the updated Contingency Funding Plan (REG 151).

Quantitative information

A.1 Time Distribution by Contractual Residual Maturity of Financial Assets and Financial Liabilities - All Currencies - Part 1

Items/Timing	At sight	For over 1 day at 7 days	For over 7 days to 15 days	For more than 15 days at 1 month	More than 1 month up to 3 months	From more than 3 months up to 6 months
Cash assets						
A.1 Government Securities	1.115	0	0	0	33.280	20.223
A.2 Other Debt Securities	0	9	7.256	712	128	3.877
A.3 Quote O.I.C.R.	36.966	0	0	0	0	0
A.4 Financing	0	0	0	0	0	0
- Banks	46.064	0	0	0	69.998	0
- Clientele	773.755	2.221	4.494	25.384	110.212	105.304
Cash liabilities						
B.1 Deposits and Current Accounts	0	0	0	0	0	0
- Banks	64.250	0	0	0	0	0
- Clientele	2.409.296	1.100	1.586	1.812	361.928	4.297
B.2 Debt Securities	0	0	0	0	0	60.562
B.3 Other liabilities	7.745	128.924	0	0	0	0
Off-balance-sheet transactions						
C.1 Financial derivatives with capital exchange	0	0	0	0	0	0
- Long positions	0	229.012	27.786	20.822	16.468	584
- Short positions	0	251	27.905	20.732	16.448	589
C.2 Financial derivatives without capital exchange	0	0	0	0	0	0
- Long positions	0	0	0	0	0	0
- short positions	0	0	0	0	0	0
C.3 Deposits and loans to be received	0	0	0	0	0	0
- Long positions	0	0	0	0	0	0
- Short positions	0	0	0	0	0	0
C.4 Irrevocable commitments to disburse funds	0	0	0	0	0	0
- Long positions	1.160	0	6	1	155	548
- Short positions	17.877	0	0	0	0	0
C.5 Financial guarantees given	0	0	0	0	0	0
C.6 Financial guarantees received	0	0	0	0	0	0
C.7 Credit derivatives with capital exchange	0	0	0	0	0	0
- Long positions	0	0	0	0	0	0
- Short positions	0	0	0	0	0	0
C.8 Credit derivatives without capital exchange	0	0	0	0	0	0
- Long positions	0	0	0	0	0	0
- Short positions	0	0	0	0	0	0

A.1 Time Distribution by Contractual Residual Maturity of Financial Assets and Financial Liabilities - All Currencies - Part 2

Items/Timing	More than 6 months up to 1 year	Over 1 year up to 5 years	Over 5 years	Indefinite duration	Totals
Cash assets					
A.1 Government Securities	20.096	363.950	399.400	0	838.064
A.2 Other Debt Securities	1.871	12.740	3.200	0	29.793
A.3 Quote O.I.C.R.	0	0	0	0	36.966
A.4 Financing	0	0	0	0	0
- Banks	0	0	0	0	116.062
- Clientele	183.579	706.985	1.093.446	0	3.005.380
Cash liabilities					
B.1 Deposits and Current Accounts	0	0	0	0	0
- Banks	0	0	0	0	64.250
- Clientele	81.153	658.028	78.710	0	3.597.909
B.2 Debt Securities	787	51.998	2.434	0	115.782
B.3 Other liabilities	0	0	66.849	0	203.519
Off-balance-sheet transactions					
C.1 Financial derivatives with capital exchange	0	0	0	0	0
- Long positions	422	0	0	0	295.095
- Short positions	407	0	0	0	66.331
C.2 Financial derivatives without capital exchange	0	0	0	0	0
- Long positions	0	0	0	0	0
- short positions	0	0	0	0	0
C.3 Deposits and loans to be received	0	0	0	0	0
- Long positions	0	0	0	0	0
- Short positions	0	0	0	0	0
C.4 Irrevocable commitments to disburse funds	0	0	0	0	0
- Long positions	1.942	6.024	8.040	0	17.877
- Short positions	0	0	0	0	17.877
C.5 Financial guarantees given	0	0	0	0	0
C.6 Financial guarantees received	0	0	0	0	0
C.7 Credit derivatives with capital exchange	0	0	0	0	0
- Long positions	0	0	0	0	0
- Short positions	0	0	0	0	0
C.8 Credit derivatives without capital exchange	0	0	0	0	0
- Long positions	0	0	0	0	0
- Short positions	0	0	0	0	0

List of Guarantees - Status with the Compensation and Guarantee Fund and other entities as at 31/12/2024

Isin	Title	Nominal Value	Balance Sheet Value
IT0005327306	BTP 15.05.2025 1.45%.	2.000	1.996
IT0005327306	BTP 15.05.2025 1.45%.	11.000	10.980
IT0005386245	BTP 01.02.2025 0,35%	31.000	30.992
IT0005438004	BTP GREEN 30.04.2045 1,50%	500	501
IT0005438004	BTP GREEN 30.04.2045 1,50%	11.500	11.530
IT0005454241	BTP 01.08.2026 0%.	500	483
IT0005454241	BTP 01.08.2026 0%.	54.500	52.610
IT0005494239	BTP 01.12.2032 2.5%	25.000	23.243
	Totals	**136.000**	**132.335**

List of collateral - Status with Eurosystem as at 31/12/2024

Isin	Title	Value Nominal	Value budget	Evaluation ECB	Discard ECB	Wallet
0	COLLATERALISED LOANS C/O EUROSYSTEM	81.280	81.280	46.330	-34.951	HTC
0	COLLATERALISED LOANS C/O EUROSYSTEM	207.039	207.039	126.294	-80.745	HTC
	Totals	**288.320**	**288.320**	**172.624**	**-115.6G6**	
	Credit line			**172.624**		

Section 5 - Operational Risks

Information of a qualitative nature
General aspects, management processes and operational risk measurement methods

Operational risk is the risk of suffering losses resulting from inadequate or failed internal procedures, human resources and systems, or from exogenous events. This risk is inherent in the conduct of banking business and can generated and reside, therefore, in all business processes. In general, the main sources manifestation of operational risk are internal fraud, external fraud, employment relations and safety at work, professional obligations to customers, damage from external events, dysfunctional information systems and the execution, delivery and management of processes.
The Bank has defined a set of organisational processes for the monitoring and management of operational risk, within which it makes use of specific functions:

- Internal Audit, whose activities are aimed on the one hand at monitoring the regularity of operations and risk trends, and on the other hand at assessing the functionality of the overall internal control system;
- the Control Body pursuant to Legislative Decree 231/2001, whose composition and functioning are governed by specific regulations, within the framework of the Organisation, Management and Control Model adopted;
- Risk Management, which responds to the need to detect and measure the typical risks of the banking business through constant monitoring of the risks assumed and those potentially generated investment, lending and service policies;
- Compliance, which is responsible monitoring and controlling compliance with regulations, providing support in preventing and managing the risk of incurring judicial or administrative sanctions and/or incurring significant losses as a result of the violation of external or internal regulations.

Also to guard against the occurrence of operational risk, the following have been prepared and are constantly updated:

- the 'Business Continuity Plan', aimed at safeguarding the Bank against critical events that may affect its full operations;
- mapping of the main operational processes (credit, finance and counter), with the aim of harmonising operators' behaviour by facilitating the integration of controls.

Particular attention was paid to the issue of IT risk, by definition included in the operational risk, proceeding with the establishment of rules and processes for the identification, census and containment of events originated, or that could originate, from malfunctions in IT procedures and/or equipment, such as network interruptions, unavailability of internet banking, inaccuracies in applications dedicated to branch operations. Lastly, as part of the actions undertaken with a view to ensuring full compliance with the new regulations introduced by the Bank of Italy through Circular 285, of note are the initiatives associated with the completion of the activities to transpose into organisational profiles and internal provisions the references under Title IV - Corporate Governance, Internal Controls, Risk Management, Chapters 4 (Information Systems) and 5 (Business Continuity) of the aforementioned regulations. In this context, the Bank, recognising the value of IT risk management as a tool for guaranteeing the effectiveness and efficiency of the protection measures its information system, defines, in close connection with the project results developed in the Cabel network and in compliance with the principles and regulatory provisions in force, a methodology for analysing IT risk and the related management process, which is part of the Bank's broader risk management system.
The Bank has adopted the Basic Indicator Approach (BIA) for the calculation of the capital requirement for operational risk, which provides that the capital cover this type of risk is equal to 15% of the average "relevant indicator" of the last three financial years, calculated in accordance with Articles 315 and 316 of the CRR Regulation. The capital absorption for this type of risk as at 31 December 2024 is € 20,797,190.

Quantitative information

Below is evidence of the amount of actual losses that occurred in the last two financial years, classified according to the categories envisaged by the Regulatory Provisions. The amount of these losses, also as a result of the results of the risk assessment carried out on the specific type of risk in question, does not configure significant aspects; however, specific evidence is kept of the events that led to losses.

Types of Loss Events Event Categories (Level 1)	Definition	2024	2023
1. Internal fraud	Losses due to fraud, misappropriation or violation of laws, regulations or company directives - excluding incidents of discrimination or failure to apply a level playing field - involving at least one internal part	0	0

Types of Loss Events Event Categories (Level 1)	Definition	2024	2023
2. External fraud	Losses due to fraud, embezzlement or violations of laws by a third party	6.896	14.060
3. Employment relationship and safety at work	Losses arising from acts that do not comply with laws or agreements on employment, health and safety at work, from payment of compensation for personal injury or from incidents of discrimination or failure to application of equal conditions	0	0
4. Customers, products and business practices	Losses resulting from unintentional or negligent breaches of professional obligations to specific clients (including trust and suitability requirements), or the nature or configuration of the product	959.905	1.352.763
5. Damage to tangible assets	Losses due to loss of or damage to tangible assets resulting from natural disasters or other events	0	0
6. Operational and computer system failures	Losses due to business interruption or to computer system failures	0	0
7. Process execution, delivery and management	Losses due to deficiencies in transaction handling or process management, as well as relations with business counterparts, vendors and suppliers	234.543	148.592
TOTAL		**1.201.344**	**1.515.415**

ESG Risks

In this initial phase of approaching the analysis of ESG risks, more attention has been paid to climate risks, in line with the indications of the supervisory authorities, as these risks are those that currently less embryonic in methodological approaches and analysis techniques than the *social* and *governance* dimensions. Therefore, climate risks, which are divided into physical and transition risks, were separated from the other social and governance risks, which are of lesser relevance and materiality.

With this in mind, since the financial year 2023, quarterly analyses of exposure to the:

- Transition risk of loans to non-financial counterparties, assessing the share of loans and the margin of interest towards companies operating in sectors more exposed to this risk factor;
- Physical Risk aimed at estimating the impact and degree of exposure to physical risks of collateralised properties of credit exposures e,
- Physical risk of non-financial companies to estimate the impact and degree of exposure to physical risks of the buildings in which the companies have their headquarters.

The estimate of the level of relative exposure of the credit portfolio to transition risk was carried out by comparing the sectoral composition of the Bank's credit exposures to corporate counterparties with that of the Italian and European banking sector, focusing on those sectors considered to be most exposed to this climatic risk factor, in order to detect any over/under exposure of the Bank compared to the rest of the banking system.

In fact, the transition risk, in this particular historical phase, is very much linked to the probable impacts on companies of the European Union's environmental policies aimed at reducing greenhouse gas (GHG) emissions to contain the effects of climate change.

ǪThis type of impact lends itself very well to be analysed, to a first approximation, on a sectoral level, as companies operating in the same industry tend on average to have similar business models in terms of emissions and thus potential impacts.

The analysis, therefore, was aimed at comparing the sector composition of the Bank's corporate loan portfolio with that of the banking sector.

Below is the composition of lending in the economic sectors considered to be those most exposed to transition risk. These sectors were identified through the indications provided by the supervisory authorities, in particular the list of sectors for which the EBA has requested specific integrations from banks in the Pillar 3 disclosure in relation to transition risk[9]. The data on Italian and European bank exposures were taken from the EBA database, updated to June 2024[10].

NACE Code	Sectors exposed to transition risk	Europe	Italy	Bank Change
B	B - Extraction of minerals from quarries and mines	1,1%	0,7%	0,8%

[9]See EBA; Final draft implementing technical standards on prudential disclosures on ESG risks in accordance with Article 449a CRR; 24-1-2022.

[10]2024 - EU-wide transparency exercise.

NACE Code	Sectors exposed to transition risk	Europe	Italy	Cambiano Bank
D	D - Supply of electricity, gas, steam and air conditioning	5,6%	4,0%	0,3%
E	E - Water supply; sewerage, waste management and remediation activities	1,0%	1,3%	0,7%
H	H - Transport and storage	5,5%	4,7%	2,8%
I	I - Accommodation and food service activities	2,5%	3,5%	7,3%
C	C - Manufacturing	13,7%	27,5%	25,6%
G	G - Wholesale and retail trade; repair of motor vehicles and motorbikes	12,1%	17,1%	15,8%
L	L - Real estate activities	27,1%	12,8%	12,8%
F	F - Construction	4,6%	7,4%	8,2%
A	A - Agriculture, forestry and fishing	4,0%	2,4%	7,6%
X	Other (Classified as non-sensitive)	22,7%	18,6%	18,2%
Total		**100,0%**	**100,0%**	**100,0%**

An analysis of the sectorial composition of Banca Cambiano's lending shows a level of exposure to the sectors most exposed to transition risk substantially in line with that of the banking sector, the only sectors in which a slightly higher weight can be seen are accommodation and food services and agriculture. Compared to European and Italian system values, the Group has little exposure to the energy sector, the transport and warehousing sector and the water supply, sewerage and waste management sector (letters D, E, H), as sectors whose characteristics are strongly subject to the dynamics of transition risk.

For physical risks, landslide, water and seismic risks were analysed, both at the NFC portfolio level (based on the municipality where the company's headquarters are located) and at the level of the real estate in which credit exposures are located. With regard to landslide and water risks, reference was made to the contents of ISPRA Environment Report no. 356/2021 - "Hydrogeological instability in Italy: hazard and risk indicators", where, on the subject of landslide risk, the municipal area is divided into 5 hazard classes (AA - area of attention; P1 - moderate hazard; P2 - medium hazard; P3 - high hazard; P4 - very high hazard); while on the subject of water risk, the municipal area is divided into 3 hazard classes (HPH - high hazard; MPH - medium hazard; LPH - low hazard).

With regard to seismic risk, reference was instead made to the contents of the "Seismic Classification 04/2023" produced and distributed by the Civil Protection, in which municipalities are divided into four hazard classes (1 - very high hazard; 2 - high hazard; 3 - medium hazard; 4 - low hazard). Exposure to these risks led to the inclusion of specific add-ons, resulting in an increase in impairment on Stage 1 for the Bank of about€ 694 thousand and an increase in impairment on Stage 2 of about € 1.42 million.

Publication of information to the public

The information concerning capital adequacy, risk exposure and the characteristics of the systems designed to identify, measure and manage such risks required by the "Supervisory Provisions for Banks" (Circular No. 285 of 17 December 2013), under Title III "Public Disclosure", is published on the Bank's website at: https://www.bancacambiano.it/banca/info-istituzionali/informativa-al- public/

PART F - Information on assets

Section 1- The Company's Assets

A. Information of a qualitative nature

The management of capital is delegated to the Board of Directors, which defines its optimal size on the basis of policies and strategic choices. In view of the strategic development guidelines, the Bank adopts the necessary measures to maintain an adequate level of current and prospective capital control, in consideration of the Bank of Italy's pro-tempore regulations in force, the Basel 3 regulatory framework, which it uses to define its own funds, as well as the targets required by the Supervisory Authority. As of 2019, Banca Cambiano has had a Capital Management plan that is subject to systematic monitoring by the Risk Management function, the governance of which constitutes the oversight of current and prospective capital adequacy. At least quarterly, compliance with supervisory requirements is verified and, if necessary, further specific analyses are carried out for the purpose of prior assessment of capital adequacy in view of operations of an extraordinary nature.

The minimum external capital requirements to which the Bank refers consist of the minimum parameters set out in Article 92 CRR, the capital decisions issued by the Bank of Italy at the conclusion of the periodic SREP supervisory review process and the combined capital buffer requirement (capital conservation buffer -CCoB- and countercyclical capital buffer -CCyB-) in force from time to time
That being said, and bearing in mind that the CCyB is set at 0%, Banca Cambiano is required to comply with the following requirements:

- Primary Tier 1 capital ratio or Cet1 ratio of 8.00% composed of the binding Total SREP Capital Requirement 5.50% (of which 4.5% under Art. 92 CRR) and the Capital Conservation Reserve 2.5%)
- Tier 1 or Tier 1 ratio of 9.90%: composed of the binding Total SREP Capital Requirement 7.40% (of which 6% under Art. 92 CRR) and the Capital Conservation Reserve 2.5%;
- Total Capital Ratio or Total Capital Ratio of 12.30% composed of the binding Total SREP Capital Requirement measures 9.80% (of which 8% under Art. 92 CRR) and the Capital Conservation Reserve 2.5%.

In order to ensure compliance with the above-mentioned binding measures even in conditions of deteriorating economic and financial environment, the Target component (Pillar 2 Guidance, P2G) identified for increased risk exposure under stress conditions, amounts to 1.25%.

On 26/04/2024, the Bank of Italy, on the basis of the power granted to national authorities by Article 133 of EU Directive /2019/878 (CRD5), decided to activate a systemic risk buffer (SYRB) equal to 1.0 per cent of credit and counterparty risk-weighted exposures to Italian residents. The target rate of 1.0 per cent is to be achieved gradually by building up a buffer equal to 0.5 per cent of material exposures by 31 December 2024 and the remaining 0.5 per cent by 30 June 2025.

As at 31 December 2024, the new SyRB reserve amounted to EUR 6.9m and the ratio to total RWA was 0.414%.

As of 31 December 2024, the capital base stood at 14.58% CET1, 17.00% Tier1 and 20.41% Total Capital, and was fully sufficient on all three binding capital levels, with CCoB and SyRB reserves being covered by Class 1 Primary Capital.

The values shown above were calculated using the so-called Transitional Regime with reference to:

- Regulation (EU) 2020/873 (so-called "Quick fix"): in 2020, the bank opted to extend the transitional period (Art. 473 bis CRR) by reformulating the intervention on provisions for expected losses on loans that were recognised from 01/01/2020 in response to the Covid-1 emergency and, as from 31/03/2021, it applied the prudential filters (so-called 'dynamic new approach'). As of 31/12/2024, the Cet1 *add- back* component was equal to 25% of the difference between the increase in provisions for expected losses net of the tax effect on stage 1 and stage 2 loans compared to the provisions for the same stages present as of 01/01/2020, for a total amount of 0.825 mln.
- Rwa: risk-weighted assets increased in connection with the reduction in value
  permissible total value adjustments on exposures within the scope of

application of the impairment rules (perimeter *static approach* and *dynamic approach new*), to the extent of 100% of the amount itself. The Bank, therefore, chose to use this calculation (pursuant to Art. 473 bis, par. 7 bis) instead of the 'graduation factor', the calculation method of which is specified in Art. 473 bis, par. 7 letter b) .

- Article 468 of Regulation (EU) No.575/2013 (CDD) as amended by Regulation (EU) 1623/2024 effective 9.07.2024: the Bank has opted for the temporary treatment of excluding from the calculation of CET1 unrealised gains and losses measured at fair value recognised in other comprehensive income for exposures to central governments classified therein. As at 31/12/2024, the CET1 add-back component is equal to 100% of the unrealised gains and losses, net of the tax effect, totalling EUR 2.096m.

The amount of equity as of 31/12/2024, so-called "fully loaded", calculated without considering the dynamic regime in place until 2025 and the exclusion of unrealised gains and losses at fair value, compared to the total RWA calculated without the increase related to the impairment of the above regime, generates the following capital *ratios*: 14.39% CET1, 16.80% Tier1 and 20.21% Total Capital.

The safeguard of current and prospective capital adequacy is developed not only by measuring and monitoring regulatory capital against 'Pillar I' risks, but also by assessing the internal capital adequate to cope with each type of risk (so-called 'Pillar II' risks) as part of the ICAAP - Internal Capital Adequacy Assessment Process, which culminates in the preparation of the annual document at group level and constitutes the prerequisite for the subsequent supervisory review and prudential assessment (SREP).

The bank's shareholders' equity, as a financial resource capable of absorbing possible losses generated by exposure to business risks and therefore substantially falling under the definition of 'Own Funds' as per EU Regulation 575/2013, is determined by the sum of share capital, additional paid-in capital, revenue reserves, valuation reserves, capital instruments and profit for the year, for the portion to be allocated to reserves, as indicated in Part B of this Section.

B. Quantitative information

B.1 Company assets: composition

Values	Amount 31/12/2024	Amount 31/12/2023
1. Capital	252.800	252.800
2. Issue surcharges	803	803
3. Reserves	-21.482	-38.591
- of profits	-21.482	-38.591
(a) legal	3.862	2.758
(b) statutory	0	0
(c) own shares	0	0
(d) other	-25.344	-41.349
- other	0	0
4. Capital instruments	40.000	40.000
5. (Own shares)	0	0
6. Valuation Reserves	-1.064	-7.783
-Equity securities designated at fair value with impact on comprehensive income	-396	-428
- Hedges of equity securities designated at fair value with impact on profitability total	0	0
- Financial assets (other than equity securities) measured at fair value with impact on overall profitability	-2.151	-7.754
- Material activities	0	0
- Intangible Assets	0	0
- Coverage of foreign investments	0	0
- Cash Flow Hedging	0	0
- Hedging instruments (non-designated items)	0	0
- Exchange rate differences	0	0
- Non-current assets and groups of assets held for sale	0	0
- Financial liabilities designated fair value through profit or loss (changes of its creditworthiness)	0	0
- Actuarial gains (losses) on defined benefit pension plans	-771	-756

Values	Amount 31/12/2024	Amount 31/12/2023
- Quote of valuation reserves relating to equity-accounted investees	2.253	1.155
- Special revaluation laws	0	0
- Available-for-sale financial assets (formerly IAS 3S)	0	0
7. Profit (loss) the year	14.005	22.075
Total	**285.062**	**26G.304**

B.2 Valuation reserves for financial assets measured at fair value with impact on profitability overall: composition

Activities/Values	Total 31/12/2024		Total 31/12/2023	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt Securities	0	2.151	0	7.754
2. Equity Securities	42	438	28	455
3. Financing	0	0	0	0
Total	**42**	**2.58G**	**28**	**8.20G**

B.3 Valuation reserves for financial assets measured at fair value with impact on comprehensive income: annual changes

Entries	Debt Securities	Equity Securities	Financing
1. Initial Existence	**-7.754**	**-428**	**0**
2. Positive variations	**5.830**	**135**	**0**
2.1 Fair Value Increases	4.535	135	0
2.2 Value adjustments for credit risk	0	0	0
2.3 Transfer to the profit and loss account of negative reserves from realisation	1.295	0	0
2.4 Transfers to other components of assets net (equities)	0	0	0
2.5 Other variations	0	0	0
3. Negative Variations	**227**	**104**	**0**
3.1 Fair Value Reductions	75	104	0
3.2 Write-backs due to credit risk	0	0	0
3.3 Transfer to profit and loss account from positive reserves: from realisation	152	X	0
3.4 Transfers to other components of assets net (equities)	0	0	0
3.5 Other variations	0	0	0
4. Closing inventories	**-2.151**	**-3G6**	**0**

Section 2 - Own Funds and Regulatory Ratios

As envisaged in the current text of Circular 262 "Banks' Financial Statements: layouts and compilation rules", reference is made to public disclosure ("Third Pillar") provided at a consolidated level by the Cambiano Banking Group.

PART G - Business combinations involving undertakings or branches undertakings

Section 1 - Transactions carried out during the financial year

In the financial year 2024, there were no business combinations within the meaning of the principle accounting, as defined by IFRS3.

Section 2 - Transactions realised after the end of financial year

No business combinations took place after year-end.

Section 3 - Retrospective Adjustments

There were no adjustments recognised in the current year in relation to business combinations that occurred in years precedents.

PART H - Related Party Transactions

Introduction

As at 31 December 2024, the Bank is the Parent Company of the Cambiano Banking Group composed of:

- Cambiano Leasing S.p.a.
- Società Immobiliare 1884 S.r.l.

The types of related parties, as defined by IAS 24, that are significant for the Bank therefore include:
• the parent company;
• subsidiary or associated companies;
• executives with strategic responsibilities;
• close family members of key management personnel or companies controlled by (or connected) them or their close family members.

Information on the remuneration of executives with strategic responsibilities and information on related party transactions is provided below.

1. Information on the remuneration of key management personnel

The definition of key management personnel, according to IAS 24, includes those persons who have the power and responsibility, directly or indirectly, for planning, directing and controlling the activities of the Bank, including the Bank's directors.
In accordance with the provisions of Bank of Italy Circular No. 262 of 22 December 2005 (8th update of 17 November 2022), the members of the Board of Statutory Auditors are also included among the managers with strategic responsibilities.
The following table shows the remuneration accrued in 2023 for Directors, Statutory Auditors and Key Executives:

Information on compensation of key management personnel (gross emoluments)

Entries	31/12/2024	31/12/2023	Variaz.	Change %
a) Directors' fees	599	522	77	14,84%
b) Remuneration of Statutory Auditors	305	283	22	7,67%
c) Executive remuneration	1.401	1.241	160	12,92%
Total	**2.305**	**2.045**	**25G**	**12,68%**

Information on related party transactions

Administrators	31/12/2024	31/12/2023	Variaz.	Change %
(a) Credits	5.931	8.075	-2.145	-26,56%
b) Guarantees given	0	45	-45	-100,00%
Total	**5.G31**	**8.121**	**-2.1G0**	**-26,G7%**

Mayors	31/12/2024	31/12/2023	Variaz.	Change %
(a) Credits	67	0	67	100,00%
b) Guarantees given	0	0	0	0%
Total	**67**	**0**	**67**	**100,00%**

Information on related party transactions

The following table shows the assets, liabilities, guarantees and commitments outstanding as at 31 December 2024, separately for the different types of related parties in accordance with IAS 24.

Balance Sheet Entries	Group leader	Check	Check	Mayors	Managers with responsibilities strategic	Other parts related	Total	% on item of budget
Item 40 - Financial assets measured at amortised cost - (a) due from banks	0	0	0	0	0	0	0	0,00%
Item 40 - Financial assets measured at amortised cost - (b) loans to customers	18.415	242.797	5.931	67	744	2.214	270.167	7,88%
Item 120 - Other Assets	0	0	0	0	0	0	0	0,00%
Total assets	**18.415**	**242.7G7**	**5.G31**	**67**	**744**	**2.214**	**270.167**	**6,16%**

Balance Sheet Entries	Group leader	Check	Check	Mayors	Managers with responsibilities strategic	Other parts related	Total	% on item of budget
Item 10 - Financial liabilities measured at amortised cost - (a) due to banks	0	0	0	0	0	0	0	0,00%
Item 10 - Financial liabilities measured at amortised cost -b) amounts due to customers	0	18	10.714	341	1.832	8.790	21.696	0,57%
Item 50 - Other liabilities	0	0	0	0	0	0	0	0,00%
Total liabilities	**0**	**18**	**10.714**	**341**	**1.832**	**8.7G0**	**21.6G6**	**0,4G%**
Guarantees Issued	**0**	**5.386**	**0**	**0**	**0**	**2.524**	**7.G10**	

Article 136 of Legislative Decree No. 385/1993 and Article 2391 of the Civil Code apply to transactions with persons exercising administrative, management and control functions in the Bank.
More generally, for transactions with related parties, as defined by IAS 24, the prudential supervisory provisions of Title V, Chapter 5, of Bank Italy Circular No. 263/2006 ("Risk Activities and Conflicts of Interest with Related Parties") also apply, except for some limited cases due to the non-perfect coincidence between the application areas of the two regulations.
Transactions with related parties are regularly carried out at market conditions and, in any case, on the basis of cost-effectiveness assessments and always in compliance with the regulations in force, giving adequate reasons and justification for the reasons and convenience of concluding them.
The main intra-group contracts in force at the end of year included the following:

1) the agreement entered into between the Bank and the Parent Company for the performance the Bank of Administration and Supervision activities;
2) contracts relating to the performance by the parent company of audit, compliance, anti-money laundering, investigation and risk management activities on behalf of subsidiaries;
3) financing contracts:
    a) cash elasticity loan related to the financial needs of the parent company of € 20 million, granted in the technical form of an overdraft facility, at an interest rate of 1%.
    b) financing for cash elasticity related to the financial need of Cambiano Leasing of € 293 million, granted in the technical form of a current account credit opening, at the Euribor 3m rate + 1.30%
    c) loan for cash elasticity related to the financial requirement of Immobiliare 1884 srl of€ 16.4 mln, granted in the technical form of a current account credit opening, at an interest rate of 2% and an unsecured loan of € 694 mgl, at an interest rate of 4.75%.

AUDIT REPORT ON THE FINANCIAL STATEMENTS

Deloitte C Touche S.p.A. Via
Pier Capponi, 24 50132
Florence
Italy

Tel: +39 055 2671011
Fax: +39 055 282147
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INDEPENDENT AUDITORS' REPORT
PURSUANT TO ART. 14 OF D. LGS. 27 JANUARY 2010NO 3G AND ART. 10 OF REGULATION (EU) NO 537/2014

To the Shareholders of
Banca Cambiano 1884 S.p.A.

AUDIT REPORT ON THE FINANCIAL STATEMENTS

Judgement

We have audited the accompanying financial statements of Banca Cambiano 1884 S.p.A. (the "Bank"), which comprise the balance sheet as at 31 December 2024, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the cash flow statement for the year then ended and the notes to the financial statements, which include the
relevant information on the accounting standards applied.

In our opinion, the financial statements give a true and fair view of the Bank's financial position as at 31 December 2024, results of operations and cash flows for the year then ended in accordance with IFRS as issued by the International Accounting Standards Board and as adopted by the European Union and with the
measures issued in implementation Article 43 of Legislative Decree No. 136/15.

Elements underlying judgement

We conducted our audit in accordance with International Standards on Auditing (ISA Italy). Our responsibilities under these principles are further described in the section *Responsibility of the auditing company for* the *audit of the financial statements* of the this report. We are independent of the Bank accordance with the ethical and independence rules and principles applicable in the Italian legal system to the audit of financial statements. We believe that we have obtained sufficient and appropriate audit evidence on which to base the our judgement.

Key aspects of auditing

The key audit aspects are those aspects , in our professional judgement, were most significant in the audit of the
financial statements for the year under review. We addressed these issues in our audit and in forming our opinion on the financial statements as a whole;
We therefore do not express a separate judgement on these aspects.

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Classification and valuation of impaired loans to customers at amortised cost classified as non-performing and likely to default	
Description of the key aspect of the revision	As stated in the 'Quality of credit' section of the report on the management and in the quantitative information in "Section 1 - Credit Risk" of Part E - Information on Risks and Related Hedging Policies of the Notes to the Financial Statements as at 31 December 2024, the Impaired loans to customers valued at amortised cost of Banca Cambiano 1884 S.p.A. amount to a gross value of Euro 206.3 million, to which specific value adjustments are associated Euro 90.4 million, resulting in a net worth of Euro 115.9 million. The Report on Operations also shows that the coverage ratio of loans to customers valued at cost amortised impaired as at 31 December 2024 is 43.83%. In In particular, the above-mentioned impaired loans, classified in accordance with the international accounting standard IFRS 9 'Instruments financial' in the so-called 'third stage', include non-performing loans for a value of net value of Euro 34.5 million, with a coverage ratio of 59.42%, and probable defaults with a net value of Euro 68.7 million, with a coverage ratio of 35.35%. For the classification of credit exposures by homogeneous risk classes, the Bank refers to sector regulations and the internal provisions governing classification and transfer rules within the different risk categories. In determining the recoverable amount of impaired loans customers measured at amortised cost, the Bank, within the framework of its classification and evaluation policies, has made use of evaluation processes and methods characterised by elements of subjectivity and estimation of certain variables, such as, primarily, expected cash flows, expected recovery times and the presumed realisable value of collateral, if any, whose change may lead to a change in the final recoverable amount. In the Management Report and Notes to the Accounts Part A - Accounting Policies, Part B - Balance Sheet Information, Section 4 of Assets, Part C - Information on Profit and Loss Account, Section 8, Part E - Information on Risks and Related Hedging Policies provides information on the aspects described above. In view of the significance of the amount of impaired loans to customers at amortised cost recorded in the balance sheet, the complexity of the estimation processes adopted by the Bank, which entailed a complex classification into categories of homogeneous risk, as well as relevance of the components discretionary inherent in the estimative nature of recoverable value (such as

	estimates of expected cash flows, their recovery times and the value any collateral as well as possible recovery strategies), we considered that the classification of loans to customers evaluated at amortised cost impaired loans classified as non-performing and probable non-performing loans and their valuation should be considered a key aspect of the audit of the financial statements of Banca Cambiano 1884 S.p.A. as at 31 December 2024.
Auditing procedures performed	The following main procedures, among others, were carried out as part of the audit activities: • understanding of the internal regulations, processes and related organisational and procedural safeguards put in place by the Bank in relation to the methods of classification and determination of the recoverable value of loans to customers measured at cost amortised impaired loans, classified as non-performing and likely to default, in order to verify their compliance with the relevant regulatory framework and applicable accounting standards; • verification of the implementation of the key controls identified with reference to the aforementioned processes; • qualitative and performance analysis of impaired loans to customers valued at amortised cost, classified as non-performing and likely to default, through the calculation of appropriate qualitative/quantitative indicators in order to identify any elements of interest; • verification, for a sample of selected positions, of the classification and determination of the recoverable amount of receivables customers valued at amortised cost impaired, classified as non-performing and likely to default, on the basis of the reference legislation, the applicable accounting standards; • analysis of events after the balance sheet date; • verification of the completeness of the compliance of the information provided in the financial statements with the requirements of the reference and the applicable accounting standards.

Classification of non-impaired loans to customers at amortised cost classified as stage 2	
Description of the key aspect of the revision	As stated in the 'Quality of credit' section of the report on the management and in the quantitative information on credit risk in Part E - Information on risks and related hedging policies of the Notes to the Financial Statements as at 31 December 2024, non-impaired loans to customers measured at amortised cost of Banca Cambiano 1884 S.p.A. amounted to a gross value of €2,710.7 million, associated portfolio adjustments of Euro 16.4 million, and a resulting net value of Euro 2,694.3 million, showing a coverage ratio of 0.60%. Among them, the loans to customers for non-impaired loans at higher risks are essentially classified in the so-called 'second stage' amounting EUR 285.2 million gross with a coverage ratio of 3.09%. As part of its policies for managing loans to customers, the Bank has adopted processes and methods for monitoring the performance of relationships in accordance industry regulations and internal provisions governing the rules for classification and transfer into the various categories of risk. In the process of classification, also for the purposes of the consequent valuation, of non-impaired loans, the Bank took into account consideration of the particular context of macroeconomic uncertainty resulting from continuing geo-political tensions. In the Management Report and Notes to the Accounts Part A - Accounting Policies, Part B - Balance Sheet Information, Section 4 of Assets, Part C - Information on Profit and Loss Account, Section 8, Part E - Information on Risks and Related Hedging Policies provides information on the aspects described above. In view of the significance of the amount and complexity of the classification process adopted by the Bank, also taking into account the circumstances related to the uncertainties of the current macroeconomic environment, we considered that the classification of loans to customers for non stage 2 impaired loans, measured at amortised cost, is a key aspect of the review of the Bank's financial statements Cambiano 1884 S.p.A. to 31 December 2024.

Audit procedures performed	The following main procedures, among others, were carried out as part of the audit activities: • understanding of the internal regulations, processes and related organisational and procedural safeguards put in place by the Bank in relation to the quality of non-impaired loans to customers measured at amortised cost, adjusted if necessary to take account of the effects arising from the context of macroeconomic uncertainty, in order to verify compliance with the relevant regulatory framework and applicable accounting standards; • verification of the implementation of the key controls identified with reference to the aforementioned processes; • qualitative and performance analysis of non-impaired loans to customers in order to identify any elements of interest; • verification, for a sample of selected positions, of the classification of loans to customers valued at cost amortised non-impaired non-impaired classified as stage 2 on the basis of the regulatory framework; • analysis of events after the balance sheet date; • verification of completeness and conformity of the information provided in the financial statements with the requirements of the reference and the applicable accounting standards.

Responsibilities of the Directors and the Board of Auditors for the Annual Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS as issued by the International Accounting Standards Board and adopted by the European Union as well as the measures issued in implementation Article 43 of Legislative Decree No. 136/15 and, within the terms provided for law, for that part of the internal control deemed necessary by them to enable the preparation of financial statements that are free from material misstatement due to fraud or unintentional conduct or events.

The Directors are responsible for assessing the Bank's ability to continue as a going concern and, in preparing the annual financial statements, for the appropriateness the use of the going concern assumption, as well as for adequate disclosure. The Directors use the going assumption in preparing the annual financial statements unless they have assessed that conditions exist for the liquidation of the Bank or for discontinuing operations, or they have no realistic alternative to such choices.

The Board of Auditors is responsible for supervising, within the terms of the law, Bank's financial reporting process.

Responsibility of the auditing company for the audit of the annual accounts

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or to conduct or events not intentional, and the issuance of an audit report that includes our opinion. Reasonable assurance is defined as a high level of assurance which, however, does not provide assurance that an audit performed in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement, if any. Errors may arise from fraud or unintentional conduct or events and are considered significant if they reasonably be expected, individually or in the aggregate, to influence the economic decisions made by users on the basis of the financial statements.

In performing our audit in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgment and maintained sceptical professional for the duration of the audit. In addition:

- We have identified and assessed the risks of material misstatements in the annual financial statements due to fraud or unintentional conduct or events; we have defined and carried out procedures for audit in response to those risks; we obtained sufficient and appropriate audit evidence on which base our opinion. The risk not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement resulting from unintentional conduct or events, as fraud may involve collusion, falsification, intentional omissions, misleading representations or forcing of control interior.

- We gained an understanding of internal control relevant to the audit accounting for the purpose of establishing audit procedures that are appropriate in the circumstances and not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- We have assessed the appropriateness of the accounting principles used as well as the reasonableness of the accounting estimates made by the Directors, including the related disclosures.

- We have come to a conclusion on the appropriateness of the Directors' use of the going concern assumption and, based on the evidence obtained, whether a significant uncertainty exists with respect to events or circumstances that may cast significant doubt about the Bank's ability to continue as a going concern. In the presence of a significant uncertainty, we are required to draw attention in the audit report to the relevant financial statement disclosures, or, if such disclosures are inadequate, to reflect this in the wording of the our judgement. Our conclusions are based on the evidence acquired up to the date of this report. However, subsequent events or circumstances may result in the Bank ceasing to operate as a going concern.

- We have assessed the presentation, structure and content of the annual financial statements as a whole, including disclosures, and whether the annual financial statements represent the transactions and underlying events so as to provide a fair representation.

We communicated to those responsible for governance activities, identified at a level appropriate as required by ISA Italia, among other aspects, the planned scope and timing of the audit and the significant findings, including any significant deficiencies in internal control identified during the audit.

We have also provided those responsible for governance activities with a declaration that we have complied with the ethics and independence rules and principles applicable in the Italian legal system and have disclosed to them any situation that may reasonably have an effect on our independence and, where applicable, the actions taken to eliminate the related risks or the safeguard measures applied.

Of the issues communicated to those responsible for governance, we identified those that were most relevant to the audit of the financial statements for the year in examination, which therefore constituted the key aspects of the audit. We have described these aspects in the audit report.

Other information disclosed pursuant Article 10 of Regulation (EU) 537/2014

On 12 May 2020, the shareholders' meeting of Banca Cambiano 1884 S.p.A. appointed us audit the and consolidated financial statements for the financial years from 31 December 2020 to 31 December 2028.

We declare that no non-audit services prohibited under Article 5(1) of Regulation (EU) 537/2014 and that we remained independent of the Bank in performing the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is in line with that indicated in the additional report to the Board of Statutory Auditors, in its capacity as the Internal Control and Audit Committee, prepared pursuant to Article 11 of the aforementioned Regulation.

REPORT ON OTHER LEGAL AND REGULATORY PROVISIONS

Judgements and declarations pursuant to Article 14(2)(e), (e-bis) and (e-ter) of Legislative Decree 3G/10

The Directors of Banca Cambiano 1884 S.p.A. are responsible for the preparation of the report on operations of Banca Cambiano 1884 S.p.A. as at 31 December 2024, including its consistency with the related financial statements and its compliance with the law.

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We have performed the procedures specified in Auditing Standard (SA Italy) No. 720B in order to

- express an opinion on the consistency of the management report with the financial statements;
- express an opinion on the legal compliance of the management report;
- make a statement on any significant errors in the management report.

In our opinion, the Report on Operations is consistent with the financial statements of Banca Cambiano 1884 S.p.A. as at 31 December 2024.

Furthermore, in our opinion, the management report is prepared in accordance with the law.

With reference to the declaration referred to in Article 14, para. 2, letter e-ter) of Legislative Decree 39/10, issued on the basis of the knowledge and understanding of the company and its context acquired the course of the audit activity, we have nothing to report.

DELOITTE C TOUCHE S.p.A.

Antonio Sportillo
Member

Florence, 14 April 2025

REPORT OF THE BOARD OF AUDITORS

Dear Shareholders,
this Report acknowledges the results of activities carried out by the Board of Statutory Auditors during the year ended 31 December 2024, also with reference to the functions assigned to it by Article 19 of Legislative Decree no. 39/2010.
During the financial year, the Board of Statutory Auditors carried out its institutional duties in compliance with the Italian Civil Code, Legislative Decrees no. 385/1993 ("TUB"), no. 58/1998 ("TUF") and no. 39/2010 ("Consolidated Audit Law"), the bylaws, as well as special laws on the subject, in accordance with the provisions issued by public authorities exercising supervisory and control activities (in particular, the Bank of Italy, the Italian Banking Association, the Italian Banking Commission, the Italian Banking Association and the Italian Banking Commission). 39/2010 ("Testo Unico della revisione legale"), the provisions of the Articles of Association, as well as the special laws on the subject, in compliance with the provisions issued by the Public Authorities exercising supervisory and control activities (in particular, the Bank of Italy and CONSOB), also taking into consideration the Rules of Conduct issued by the National Council of Certified Accountants and Bookkeepers.
The financial statements have been audited by Deloitte C Touche S.p.A. With reference to the statutory audit, pursuant to Articles 14 and 16 of Legislative Decree No. 39 of 27 January 2010, we therefore refer to that report.
The Board of Statutory Auditors, not being entrusted with the legal audit, carried out on the financial statements the supervisory activities envisaged in Rule 3.8. of the 'Rules of Conduct for the Board of Statutory Auditors of Unlisted Companies' consisting of an overall summary control aimed at verifying that the financial statements have been properly prepared. In fact, it is the responsibility of the person in charge of the statutory audit to verify that the financial statements have been properly prepared.

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to Section 2429(2) of the Civil Code, specific references are provided on the following points.

1. Supervisory activities carried out in the performance of their duties
During the 2024 financial year, the Board of Statutory Auditors monitored compliance with the law and the statutory provisions, the observance of the principles of proper administration and sound and prudent management, also taking into account the principles of conduct recommended by the National Council of Chartered Accountants.
The Board of Statutory Auditors, also in its capacity as 'Internal Control and Audit Committee' pursuant to Article 19 of Legislative Decree No. 39 of 27/01/2010, monitored the adequacy of the financial reporting process and found it to be in line with the company's business and regulatory requirements.
As detailed below, the effectiveness of the control and internal audit systems was also monitored, such that
cope with the risks present in the activity.
Supervisory and control activities, in the various areas mentioned, were carried out by means of:
- attendance at meetings of the Board of Directors (No. 24), the Executive Committee (No. 22) and the Risk Committee (No. 12), the Ordinary General Meeting of Shareholders (No. 1));
- meetings with the company;
- audits with the heads of various corporate functions, in particular, with the Internal Audit, Risk Management, Compliance, and Anti-Money Laundering;
- exchange of information with the Supervisory Board provided for in Legislative Decree 231/2001.

Through participation in the meetings of the Board of Directors and the Executive Committee, the necessary information was acquired both to assess the Bank's overall financial and economic performance and to appreciate the most significant transactions. The Board of Statutory Auditors can affirm, to the best of its knowledge, that management operations were carried out in compliance with the law and the Articles of Association, in the Bank's interest and did not appear to be manifestly imprudent, irrational or reckless, such as to compromise the integrity of the assets, in conflict of interest or in contrast with resolutions passed by the Shareholders' Meeting.
Referring to what is described in the Report on Operations on the significant events that occurred during the year, it is deemed appropriate to mention the following:
- since July 2024, the company organisation chart and the General Management have been reorganised according to a process logic, with the aim of formalising the distribution of executive power more effectively. Ques this new set-up responds to the changing needs of the company, which require the General Manager to provide more structured and efficient support, both a view to improving company performance and implementing innovative projects and adapting to regulatory developments. The new executive structure will also form the basis for further reflections and in-depth analyses also aimed at defining an appropriate succession plan for the top management figures;
- September 2024 saw the successful launch of the 'Risk Academy' training project, promoted by the Bank

in collaboration with the University of Florence and Cabel Industry. The initiative, designed to provide specialised and operational training on topics related to finance, risk management and artificial intelligence, was aimed at students on the master's degree courses in 'Accounting, Auditing and Control' and 'Finance and Risk Management';

- in October 2024, the structure of the Pontormo RMBS securitisation transaction was changed, which saw the involvement as co-originator also of BCC di Pisa e Fornacette, which will soon be put into liquidation. The Parent Company Iccrea decided to have the mortgages repurchased and the related Notes cancelled. Consequently, the transaction was revised, which now sees Banca Cambiano as sole originator, and the previous contractual documents were amended. The rating agencies confirmed the previous rating;
- on 25 October 2024, the Tax Court of First Instance of Florence issued a ruling in favour of the Bank with regard to the request for reimbursement of an IRES credit of €6,673,048, deriving from the transformation into a tax credit of the Deferred Tax Assets (DTA) on the tax losses of the merged Invest Banca S.p.A., for which the Agenzia delle Entrate had denied the reimbursement, claiming that the requirements for the carry-forward of tax losses after the merger were not met. As foreseeable, the Agenzia delle Entrate - Direzione Regionale della Toscana, appealed to the Second Grade Tax Court of Tuscany;
- December 2024 saw the completion of the subscription of units of the alternative investment fund ("FIA") called "Fondo Persefone", set up by PCG SGR S.p.A, for a counter-value at the cut-off of € 29.73 million through the contribution in kind of the right to receive the purchase price of € 17.96 million deriving from the sale of a portfolio of loans classified as "probable defaults" and "non-performing loans" to the vehicle company Caleen SPV for a counter-value of € 18,53 mln, and write-down of € 11.20 mln, resulting in a loss on disposal of € 0.56 mln This is the second transaction carried out by the Bank with the PCG counterparty, as an initial subscription of units in the Persefone Fund had already been concluded in December 2023, with a number of units acquired amounting to € 10.01 mln. As at 31 December 2024, the total number of units amounted to 27.69 mln, with a balance sheet value of € 22.29 mln.

By attending the meetings of the Board of Directors, the regular reporting on the operations carried out by the delegated persons in accordance with the powers granted to them, on the general performance of operations and its foreseeable evolution was ascertained. The corporate officers have also reported, in with the provisions of the Civil Code in force, the positions in conflict of interest in order to allow for the implementation of correct decision-making procedures, also with reference to the provisions of Article 136 of the Consolidated Banking Act, Article 2391 of the Civil Code "Directors' Interests" and the Regulation of Transactions with Related Parties adopted in implementation of the Supervisory Provisions.

It should be noted that the managers of the independent auditing firm, with whom the Board of Statutory Auditors exchanged information on the controls on the financial statements and other checks carried out, did not find any circumstances, irregularities or reprehensible facts worthy of being reported the Supervisory Authority and to the Board of Statutory Auditors.

The checks on the overall control structure by the Board of Auditors took into account the activities carried out by the Internal Audit function, being the recipients of the inspection reports containing the results of the checks that this service, co-sourced with the company META Srl of Empoli, carried out during the year.

With regard to second-level control functions, the interaction, which was constantly fruitful, concerned:

- Risk Management, which provided adequate information in relation to the risks, the subject of periodic reports on the audits carried out in-house, the effectiveness of the structures in charge of detecting and measuring the various types of risk, and the coordination of the structures themselves aimed at an overall view of risk;
- Compliance, for the examination and assessment of issues related to the regulatory framework with which the Bank must comply and for reports on the state of corporate compliance relevant to the structure's areas of responsibility;
- anti-money laundering, for reports concerning this sensitive area, whose level of detail fully represents, inter alia, the organisational and IT supervision in terms of customer due diligence and the feeding of the Single Computerised Archive;
- the Budget, Planning and Management Control function, whose reports allow this Body to have adequate information in relation to the supervised risks falling within the scope of action of the specific function.

Based on these assumptions, the Board of Statutory Auditors considers the internal control system - as a whole - to be suitable for guaranteeing the control of risks and compliance with the rules and procedures laid down.

In carrying out its auditing activities, the Board of Auditors maintained a continuous dialogue

with the Control Functions.
The Board of Auditors paid attention to the organisational structure of the control functions, oriented towards risk control, which sees the centralisation of the 2nd and 3rd level control functions at the Parent Company.
During the course of financial year, still on the subject of internal controls, the Board of Statutory Auditors ascertained the compliance with the provisions of Bank of Italy Circular No. 285 of 17 December 2013 'Supervisory Provisions for Banks' and the constant consistency of internal regulations.
The Board of Statutory Auditors also assessed and monitored the adequacy of the administrative and accounting system, as well as the reliability of the latter to correctly represent management events, through repeated meetings with the Budget, Planning and Management Control department, the examination of company documents and, mainly, the constant analysis of the results of the work carried out by the Auditing Company, to which the specific task of auditing the accounts is assigned, as mentioned above.
In the course of the checks and inspections carried out, taking into account the information acquired also through specific reports prepared by the offices entrusted with the performance of control functions, no indications of irregularities in the performance of corporate management, nor reports of particular deficiencies of an organisational nature emerged.
In conclusion, having regard to the information obtained in the course of the supervisory activity carried out, the Board considers the organisational structure adopted, the internal control system and accounting-administrative apparatus to be adequate, being consistent with the size of the Bank, and with its operational requirements, as well as noting the timeliness of the adjustment/refinement interventions in accordance with the evolution of the same requirements and, in particular, of the regulatory rules governing the Bank's activities.
During financial year, according to information obtained by the Board of Auditors, there were no atypical and/or unusual transactions.
The Board Directors, with a resolution of 27/11/2024, adopted an updated version of the document "Policy for the management of transactions with related parties" for the management of transactions with related parties of the Cambiano Banking Group, and updated the regulation "Deliberative procedures for transactions with related parties".
Transactions with related parties are conducted on the basis of the Regulations in force and in compliance with the provisions the Bank of Italy Order 'Risk Activities and Conflicts of Interest with Related Parties'. The Board of Statutory Auditors, in its supervisory role, found compliance with the regulatory provisions on the subject. The transactions were in fact settled at market conditions or, in the absence of suitable reference parameters, at cost and, in any case, on the basis of assessments of objective mutual convenience and fairness. It should be noted that no transactions of greater significance, within the meaning of the reference legislation and the criteria adopted in the framework of the policies adopted, on which the Independent Directors and/or the undersigned members of the Board of Statutory Auditors have rendered a negative opinion or expressed remarks, were carried out with related parties.
The document "Remuneration policies in favour of directors, employees or collaborators not linked to the company by employment relationships" was found to be adequate, compliant with supervisory regulations and, in accordance with the findings of the Compliance and Internal Audit function, the Board of Statutory Auditors ascertained its correct application during the year. The required information, duly formulated, on the actual application of the remuneration policies is provided to the shareholders' meeting to accompany the financial statements.
Having regard to activities carried out, the Board of Statutory Auditors deems it necessary to acknowledge, in particular, the following company or corporate circumstances:

- The Board of Statutory Auditors met 21 times during financial year;
- the verification and control activities did not reveal any significant facts such as to require reporting to the Bank Italy;
- During the year, the activity of the Supervisory Board set up pursuant to Legislative Decree No. 231/2001 duly continued, an activity that took the form of verifying the effectiveness and adequacy of the organisation and management model and of the staff training plan, as well as, in representing to the Bank's representatives the need for a constant collaborative relationship, useful to allow for the full and effective prevention of the occurrence of the offences provided for by the same legislation;
- the Board of Statutory Auditors expressed its full agreement with the objectives and risk profiles contained in the Bank's Risk Appetite Framework (RAF), adopted in accordance with the supervisory regulatory framework;
- As part of the Board of Statutory Auditors' control activities, attention was paid to aspects relating to anti-money laundering, banking transparency, the performance of both performing and impaired loans, and the related controls adopted by the Bank;
- the Board of Statutory Auditors monitored that, the company's self-assessment process adequacy capital (ICAAP) and the liquidity risk governance and management system (ILAAP), was in line with the

regulatory requirements;

- the Board of Auditors has continuously monitored the Capital Management Plan and the capital strengthening defined by the Bank;
- the legal provisions the transparency banking transactions and services were applied and financial;
- the Board of Statutory Auditors noted that the Bank continued with the adjustments envisaged in the plan to strengthen ICT Security and Anti-Fraud systems, also in view of the introduction of the DORA (Digital Operational Resilience Act) Regulation, a European regulation that aims to strengthen digital security in the financial sector;
- on the subject of usury, Bank's operations were carried out in compliance with Law No. 108/1996 and the implementing provisions of the Bank of Italy;
- As required by Article 136 of the Consolidated Banking Act, the Board expressed its unanimous consent with regard to the transactions entered into, directly or indirectly, by the Bank's Representatives, all of which were resolved in accordance with the law, including Article 2391 of the Italian Civil Code;
- with reference to the 55 complaints received by the Bank in 2024, compared to 52 in 2024, the correctness of the procedure for the investigation and management of such events was verified; it was also verified that the interested parties were provided with a timely and reasoned response and that such complaints were properly represented to the corporate bodies in accordance with regulatory requirements; in addition, no. 10 requests for information received from the Bank Italy in respect of complaints forwarded by customers to the same Supervisory Authority, and 4 complaints lodged by customers with the A.B.F.;
- training on anti-money laundering, financial advice, placement of insurance and financial products, occupational safety, banking transparency and privacy was carried out with the participation of the required employees.

The Board of Statutory Auditors assessed the independence of the Auditing Firm Deloitte C Touche S.p.A. and in this regard, we list the services, in favour of Group companies, of services other than Auditing, which are in any case required by law to be performed by the party performing the Statutory Audit, of which the Board of Statutory Auditors took note in the 2024 financial year:

- report required by Article 23(7) of the Regulation implementing Articles 4-undecies and 6(1)(b) and (c-bis) of Legislative Decree 58/98 concerning the illustration of the organisational and procedural solutions and related controls adopted by the Bank in relation to the custody and sub-custody of customers' assets;
- endorsement of conformity, on the tax returns of Banca Cambiano 1884 S.p.A. and Ente Cambiano S.c.p.A..

In the events subsequent to the end of financial year, as mentioned in the directors' report, it is noted that

- on 29 January 2025, the Board of Directors approved the business plan for the period 2025/2029. This plan includes four main points: i) capital, economic and prudential results; ii) projections under adverse scenarios; iii) potential upside not factored into the plan; iv) high-level roadmap.
- since 24 February 2025, the ordinary audit by the Supervisory Authority has been initiated;
- in 2025, the Fibonacci Group, backed by funds managed by Apax Partners LLP, completed the acquisition of the Quid Group, a major player in the consumer credit software market, and its subsidiary Cabel Industry;
- A EUR 30 million financing package approved by the European Investment Bank (EIB) has been set up to support the investments and working capital needs of micro, small and medium-sized enterprises in Tuscany. The Bank and Cambiano Leasing will be able to provide financing, with EIB funds and possibly with guarantees from credit consortia, in order to support and improve the competitiveness of micro, small and medium-sized enterprises, which represent the backbone of Tuscany's production system, through the support of their productive investments aimed at expansion, diversification, system consolidation, and ecological, technological and digital transition processes. This agreement is part of the collaboration that has been ongoing for years between the Bank and European institutions, including the European Investment Fund, with which various support and guarantee measures are in place.
- On 20 February 2025, the Supervisory Board issued the Provision containing the 'new' decision on the capital in force as of 31 March 2025.
- The new requirements for the prudential consolidation that includes Ente Cambiano indicated by the Bank of Italy are:
  - primary tier 1 capital ratio (CET 1 ratio): 10.05%, composed of an OCR CET1 ratio of 8.30% and a Target Component (Pillar 2 Guidance, P2G), against a higher risk exposure under stress conditions, of 1.75%;
  - Tier 1 ratio: 11.95%, comprising an OCR T1 ratio of 10.20% and by a Target Component, against a higher risk exposure under stress conditions, equal to

a 1,75%;

- Total Capital ratio: 14.55%, consisting of an OCR TC ratio of 12.80% and a Target Component of 1.75%, reflecting a higher risk exposure under stress conditions.

2. Results of the financial year

The Board of Statutory Auditors examined the draft financial statements for the financial year ending 31 December 2024 and the management report, which were made available to the Board of Statutory Auditors by the Board of Directors within the legal deadlines.

Since the Board of Statutory Auditors was not entrusted with the legal audit of the Financial Statements, the Board of Statutory Auditors monitored the directors' compliance with the procedural rules regarding the preparation, filing and publication of the Financial Statements, as well as supervising the general layout of the draft Financial Statements, their composition, structure, valuation of the company's assets, and the management report, in accordance with the provisions of the law, the Supervisory Authorities and the IAS/IFRS international accounting standards.

The draft financial statements were audited by Deloitte C Touche S.p.A., the company appointed to audit the accounts, which issued its professional opinion on 14 April 2024, pursuant to Articles 14 and 16 of Legislative Decree No. 39/2010, on the reliability of the financial statements in question without qualifications or exceptions.

The notes to the financial statements contain additional information deemed useful or prescribed by specific legal provisions for a more complete representation of the company's events and for a better understanding of the figures in the financial statements.

The Board of Statutory Auditors also proceeded to meet with the Company entrusted with the legal audit of the accounts, thus taking note of the work carried out by the same and proceeding to the mutual exchange of information in compliance with Article 2409-septies of the Italian Civil Code. With regard to the items in the draft financial statements submitted to the Shareholders' Meeting, the Board of Statutory Auditors carried out the necessary checks in order to be able to formulate the consequent observations.

3. Budgetary remarks

On this point, it is noted that:

- the draft financial statements were prepared, in application of Legislative Decree No. 38/2005, in substance, in accordance with the Supervisory Instructions contained in Bank Italy Circular No. 262 of 22 December 2005 and with the application of the IAS/IFRS international accounting standards issued by the International Accounting Standards Board (IASB), endorsed by the European Union, and in force at the closing date of the financial statements, as well as the related interpretations (SIC/IFRIC). The aforementioned accounting standards are analytically set out in Part A.1, Section 2 of the Notes to the Financial Statements. The aforesaid documentation takes due account of the provisions of the joint Bank Italy, Consob and Isvap Document No. 4 of 3 March 2010, concerning the information to be provided in financial reports on impairment tests, contractual clauses of financial debts, debt restructuring and the 'fair value hierarchy';
- the draft financial statements, as prepared, correspond to the facts and information that were known to the Administrative Body at the date of its approval;
- the Report on Operations contains the information required by current regulations and completes, with clarity, the content of the financial statements; in particular, in the Report on Operations and in the Notes to the Financial Statements, the directors have provided the information required in Consob, Bank of Italy, Isvap Document No. 2 of 6 February 2009 on "going-concern" and have prepared the financial statements on the assumption that the company is a going concern. The Board agrees with the opinion expressed and confirms the reasonable expectation that the company will continue as a going concern in the foreseeable future.

As mentioned above, with regard to the supervisory activity within its competence on the financial statements, the Board of Auditors complied not only with the provisions of the Civil Code and the provisions of the Supervisory Authority, but also with the rules of conduct laid down by the National Council of Chartered Accountants.

In conclusion, with reference to the financial statements for the financial year 2024 duly made available within the prescribed deadlines, the Board of Statutory Auditors hereby consents to their approval.

In addition, during the 2024 financial year, the Board of Statutory Auditors met with the appointed Auditing Company, Deloitte C Touche S.p.A., and carried out a regular exchange of information with it, as provided for by Legislative Decree no. 39 of 27 January 2010 implementing the EU directive on statutory auditing. From the same Auditing Company we received, pursuant to Article 11, of Regulation (EU) 537/2014, the additional report for the Committee, which shows the absence of

significant deficiencies in the internal control system in relation to the financial reporting process and the accounting system and the declaration, pursuant to Article 6(2)(a) of Regulation (EU) No. 537/2014, that no situations were found to impair independence within the meaning of Articles 10 and 17 of Legislative Decree 39/2010 and Articles 4 and 5 of Regulation (EU) 537/2014.
With regard to the consolidated financial statements, we found that they were prepared correctly in relation to the applicable accounting standards, the definition of the scope of consolidation and compliance with the relevant regulations. In doing so, we were also able to appreciate the functionality of the underlying data input and operational control systems.
To the best of our knowledge, the Directors, in preparing the financial statements, have not departed from the law to Article 2423, Section 5 of the Italian Civil Code and have provided the information required by Article 10 of Law No. 72 of 19 March 1983.

4. Proposals concerning the budget and its approval
On completion of the specific checks carried out and for all above, having acknowledged the audit reports the company Deloitte C Touche S.p.A., which exclude any remarks or requests for information and confirm that the financial statements of the Cambiano Banking Group as at 31 December 2024 have been drawn up in compliance with the rules and criteria governing their preparation; they fairly and truthfully represent the economic and financial situation of the Company and the Group. The Board of Statutory Auditors deems the Report on Operations to be consistent with the Bank's financial statements as at 31 December 2024 and illustrates the Company's performance, highlighting current and prospective developments. This refers both to the so-called financial information, such as the analysis of the income, equity and financial situation and solidity indicators, and to the so-called other information, such as risks and uncertainties relating to the Bank's activities, their management, human resources, safety, management trends. The significance of credit risk, liquidity risk and market risk has been adequately highlighted. The notes to the accounts explain the valuation criteria adopted and provide all the necessary information required by current regulations, including information on credit, market, liquidity and operational risks.
At the conclusion of the report, reiterating that the supervisory activity performed did not reveal any reprehensible facts, omissions or irregularities, the Board of Statutory Auditors expresses a favourable opinion, to the extent of its competence, on the approval of the financial statements for the year 2024 and the related proposal for the allocation of the net profit for the year, which is in compliance with the law and the Articles of Association and appropriate to the Company's economic and financial situation.

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The Board of Auditors expresses its sincere thanks to all the Bank's structures for the cooperation provided to the auditing body during the year, in the performance of its institutional tasks.

Florence, 14 April 2025

THE BOARD OF AUDITORS

Dr. Gaetano De Gregorio	PRESIDENT
Prof. Riccardo Passeri	STATUTORY AUDITOR
Dr. Manuela Sodini	STATUTORY AUDITOR

ATTACHMENTS

Reconciliation of the Reclassified Balance Sheet and Income Statement with the Financial Statements

Below are the reconciliation schedules used to prepare the balance sheet and income statement in reclassified form.

Balance Sheet

Asset Items		31/12/2024	31/12/2023
Case		**15.241**	**15.516**
10.	Cash and cash equivalents	131.136	341.067
	minus: Sight receivables from banks	-115.895	-325.551
Financial assets		**930.914**	**994.574**
	(a) financial assets held for trading	98.293	103.754
20. a)	Financial assets at fair value through profit or loss a) assets financial assets held for trading	92.055	84.560
	plus: Other assets (tax receivables) held for trading reclassified from Other Assets - Item 120	6.238	19.194
20. b)	***(b) financial assets designated at fair value***	0	0
	(c) other financial assets mandatorily measured at fair value	39.828	29.372
20. c)	Financial assets at fair value through profit or loss c) other assets compulsorily measured at fair value	135.407	97.585
	less: Loans required to be measured at fair value	-95.579	-68.212
	d) Financial assets measured at fair value with impact on comprehensive income	173.170	474.949
30.	Financial assets measured at fair value with impact on comprehensive income	173.170	474.949
	e) Financial assets measured at amortised cost	619.623	386.499
	- Banks	2.737	3.683
	plus: Debt securities unwound from loans to banks - item 40 a	2.737	3.683
	- Clientele	616.886	382.816
	plus: Debt securities unwound from loans to customers - item 40b	616.886	382.816
Financing		**3.254.662**	**3.587.680**
	(a) due from banks	264.169	405.145
40 a)	Financial assets measured at amortised cost a) loans and advances to banks	151.012	83.277
	less: Debt securities	-2.737	-3.683
	plus: Loans to banks reclassified from Cash and cash equivalents - Item 10	115.895	325.551
	(b) loans to customers	2.810.188	3.035.687
40 b)	Financial assets measured at amortised cost b) loans to customers	3.427.074	3.418.504
	less: Debt securities	-616.886	-382.816
	c) Loans mandatorily measured at fair value	95.579	68.212
	plus: Loans to customers reclassified from other compulsory financial assets measured at fair value - Item 20 c)	95.579	68.212
	d) Other activities	84.726	78.636
	plus: Tax Credits to CA reclassified from Other Assets - Item 120	84.726	78.636
Participations		**48.615**	**48.172**
70.	Participations	48.615	48.172
Material activities		**64.100**	**62.376**
80.	Material activities	64.100	62.376
Intangible Assets		**5.090**	**4.852**
90.	Intangible Assets	5.090	4.852
Fiscal activities		**14.845**	**19.316**
100.	Fiscal activities	14.845	19.316
Non-current assets and groups of assets held for sale		**0**	**0**
110.	Non-current assets and groups of assets held for sale	0	0
Other Activities		**50.700**	**76.849**
120.	Other Activities	141.663	174.678
	less: Other assets (tax receivables) held for trading	-6.238	-19.194
	less: Financing for tax credits to the CA	-84.726	-78.636
TOTAL ASSETS		**4.384.166**	**4.809.335**

Liabilities and Equity Items		31/12/2024	31/12/2023
Due to banks and institutional counterparties		**267.631**	**910.016**
	(a) due to banks	71.858	605.354
10. a)	Financial liabilities measured at amortised cost a) due to banks	71.858	605.354
	(b) due to institutional counterparties	195.774	304.662

Liabilities and Shareholders' Equity		31/12/2024	31/12/2023
	plus: Due to institutional counterparties from liabilities to customers - Item 10 b)	195.774	304.662
Direct collection		**3.729.703**	**3.508.577**
	(a) amounts due to customers	3.613.921	3.336.156
10. b)	Financial liabilities measured at amortised cost b) Due to customers	3.809.694	3.640.819
	less: Due to institutional counterparties	-195.774	-304.662
	(b) securities in issue	115.782	172.421
10. c)	Financial liabilities measured at amortised cost c) securities issued	115.782	172.421
Financial liabilities held for trading		**420**	**442**
20.	Financial liabilities held for trading	420	442
Tax liabilities		**31**	**66**
60.	Tax liabilities	31	66
Liabilities associated with discontinued operations		**0**	**0**
70.	Liabilities associated with discontinued operations	0	0
Other liabilities		**93.243**	**110.563**
80.	Other liabilities	93.243	110.563
Liabilities funds		**8.075**	**10.367**
90.	Staff severance pay	3.131	3.026
100.	Provisions for risks and charges:	4.944	7.340
	TOTAL LIABILITIES	**4.099.104**	**4.540.031**
Net assets		**285.062**	**269.304**
110.	Valuation Reserves	-1.064	-7.783
120.	Redeemable shares	0	0
130.	Capital instruments	40.000	40.000
140.	Reserves	-21.482	-38.591
150.	Issue surcharges	803	803
160.	Capital	252.800	252.800
170.	Own shares (-)	0	0
180.	Profit/loss for the year	14.005	22.075
	TOTAL LIABILITIES AND EQUITY	**4.384.166**	**4.809.335**

PROFIT AND LOSS ACCOUNT

Items Income Statement		31/12/2024	31/12/2023
10.	Interest and similar income	173.288	159.815
20.	Interest expenses and similar charges	-94.114	-74.791
30.	Interest margin	79.175	85.024
70.	Dividends and similar income	544	588
Financial Margin		**79.719**	**85.612**
40.	Commission income	36.524	36.962
50.	Commissions payable	-5.922	-6.066
	plus Recoveries of commission expenses reclassified from Other income and expenses - Item 200	331	644
Net commissions		**30.934**	**31.540**
	Net result of Finance:	7.619	11.168
80.	Net trading income	9.499	10.226
90.	Net result from hedging activities	0	0
100. a)	Gains (losses) on disposal or repurchase of (a) financial assets measured at cost damped	705	-3.972
	less gains/losses on disposal of NPL loans	569	5.514
100. b)	Gains (losses) on disposal or repurchase of b) financial assets measured at fair value with impact on overall profitability	965	666
100. c)	Gains (losses) on disposal or repurchase of c) financial liabilities	20	157
110. a)	(a) financial assets and liabilities designated at fair value	0	0
110. b)	(b) other financial assets mandatorily measured at fair value	-4.278	-1.410
	minus the net result of compulsory financing at fair value	137	-12
	Other net operating income/expenses	-11	890
200.	Other operating income/expenses	7.969	8.273
	minus recoveries of commission expenses	-331	-644
	minus Recoveries of personnel expenses	-266	-817
	less Recoveries of other administrative expenses	-7.383	-5.971
	less Badwill	0	-1.291
	less Expenses for lawsuits covered using provisions for risks and charges	0	1.340
Operating income		**118.260**	**129.211**
	(a) personnel expenses	-34.583	-32.598
160. a)	Administrative expenses a) personnel expenses	-34.848	-33.415
	- Recoveries of personnel expenses reclassified from Other income and expenses - Item 200	266	817
	(b) other administrative expenses	-30.948	-32.050
160. b)	Administrative expenses b) other administrative expenses	-42.302	-43.971
	- Recoveries of other administrative expenses reclassified from Other income and expenses - Item 200	7.383	5.971

Items Income Statement		31/12/2024	31/12/2023
	- Charges related to the banking system (contributions to DGS and FITD funds) reclassified to item own	3.971	5.950
	Net value adjustments/reversals on tangible and intangible assets	-7.175	-7.148
180.	Net Value Adjustments/Write-backs on Tangible Assets	-5.168	-5.251
190.	Net value adjustments/write-backs on intangible assets	-2.472	-2.169
	less Amortisation of intangible assets recognised as a result of PPA	465	272
Operating expenses		**-72.705**	**-71.796**
Result from operations		**45.555**	**57.414**
	Net value adjustments on loans to customers	-26.791	-23.789
130. a)	Net value adjustments/write-backs for credit risk of (a) financial assets valued at amortised cost	-25.632	-18.305
	less credit risk adjustments/write-backs on debt securities at cost damped	-57	-118
	plus gains/losses on disposal of NPL loans reclassified from item 100 a)	-569	-5.514
	plus net result of loans compulsorily at fair value reclassified from item 110 b)	-137	12
140.	Gains/losses from contractual changes without cancellations	-395	137
	Net Value Adjustments on Securities and Other Financial Assets	284	344
130. b)	Net value adjustments/write-backs for credit risk of b) financial assets valued at fair value with impact on comprehensive income	227	225
	plus adjustments/write-backs for credit risk on debt securities and loans to banks at amortised cost	57	118
	Net provisions for risks and charges: guarantees and commitments	-286	-122
170. a)	Net provisions for risks and charges: a) guarantees and commitments	-286	-122
Net value adjustments for credit risk		**-26.793**	**-23.567**
	Net provisions for liabilities and charges: other	1.826	-163
170. b)	Net provisions for liabilities and charges b) other net provisions	1.826	1.178
	less Utilisation of risk funds set up in previous years to cover litigation expenses liabilities reclassified from Other income and charges - item 200	0	-1.340
	Gains (Losses) on participations	442	-324
220.	Gains (Losses) on participations	442	-324
	Net result of fair value measurement of tangible and intangible assets	0	0
230.	Net result of fair value measurement of tangible and intangible assets	0	0
	Gains (Losses) on disposal of investments	-234	89
250.	Gains (Losses) on disposal of investments	-234	89
	Charges related to the banking system (contributions to DGS and FITD funds)	-3.971	-5.950
	plus Charges related to the banking system (contributions to DGS and FITD funds) reclassified by the Administrative expenses b) other administrative expenses - Item 160 b)	-3.971	-5.950
Gross income from current operations		**16.826**	**27.498**
	Income tax for year on current operations	-2.355	-6.374
270.	Income tax for year on current operations	-2.355	-6.374
Net result from current operations		**14.470**	**21.125**
	PPA	0	1.291
	Goodwill Impairment / Amortisation of Intangible Assets	-465	-272
240.	Goodwill Value Adjustments	0	0
	less Amortisation of intangible assets recognised as a result of PPA	-465	-272
	Profit (Loss) from discontinued operations after tax	0	-70
290.	Profit (Loss) from discontinued operations after tax	0	-70
Profit (loss) the year		**14.005**	**22.075**

Financial Statements of Subsidiaries

Cambiano Leasing S.p.A.

Balance Sheet

	Asset Items	2024	2023
10.	Cash and cash equivalents	177.327	216.571
20.	Financial assets at fair value through profit or loss		
	(a) financial assets held for trading		
	(b) financial assets designated at fair value		
	(c) other financial assets mandatorily measured at fair value		
30.	Financial assets measured at fair value with impact on comprehensive income	18.402	18.402
40.	Financial assets measured at amortised cost	298.627.762	313.624.151
	(a) due from banks	*109.672*	*100.134*
	(b) receivables from financial companies	*1.609.908*	*1.229.537*
	(c) loans to customers	*296.908.182*	*312.294.480*
50.	Hedging derivatives		
60.	Value adjustment of macro-hedged financial assets (+/-)		
70.	Participations		
80.	Material activities	3.407.519	3.658.145
90.	Intangible Assets		75.000
	of which:		
	- start-up		
100.	Fiscal activities	840.240	3.267.795
	(a) currents	*782.756*	*3.219.056*
	(b) in advance	*57.484*	*48.739*
110.	Non-current assets and groups of assets held for sale		
120.	Other Activities	769.480	1.712.289
	Total Assets	**303.840.730**	**322.572.353**

	Liabilities and Shareholders' Equity	2024	2023
10.	Financial liabilities measured at amortised cost	269.707.830	289.467.668
	(a) debts	*269.707.830*	*289.467.668*
	(b) securities in issue		
20.	Financial liabilities held for trading		
30.	Financial liabilities designated at fair value		
40.	Hedging derivatives		
50.	Value adjustment of macro-hedged financial liabilities (+/-)		
60.	Tax liabilities	1.071.524	1.143.524
	(a) currents	*708.000*	*780.000*
	(b) deferred	*363.524*	*363.524*
70.	Liabilities associated with discontinued operations		
80.	Other liabilities	7.629.766	7.940.329
90.	Staff severance pay	211.086	228.134
100.	Provisions for risks and charges	113.773	83.713
	(a) commitments and guarantees given	*9.498*	*4.103*
	(b) pensions and similar obligations		
	c) other provisions for risks and charges	*104.275*	*79.610*
110.	Capital	10.000.000	10.000.000
120.	Own shares (-)		
130.	Capital instruments		
140.	Issue surcharges		
150.	Reserves	13.708.985	12.206.313
160.	Valuation Reserves		
170.	Profit (loss) the year (+/-)	1.397.766	1.502.672
	Total liabilities and shareholders' equity	**303.840.730**	**322.572.353**

PROFIT AND LOSS ACCOUNT

	Entries	2024	2023
10.	Interest and similar income	19.016.495	18.367.557
	of which interest income calculated using effective interest method		
20.	Interest expenses and similar charges	-13.710.753	-12.331.427
30.	**Interest margin**	**5.305.742**	**6.036.130**
40.	Commission income	77.354	89.747
50.	Commissions payable	-193.227	-230.351
60.	**Net commissions**	**-115.873**	**-140.604**
70.	Dividends and similar income	115	109
80.	Net trading income		
90.	Net result from hedging activities		
100.	Gains/losses on disposal or repurchase of:		
	(a) financial assets measured at amortised cost		
	(b) financial assets measured at fair value with impact on comprehensive income		
	(c) financial liabilities		
110.	Net result of other financial assets and liabilities measured at fair value with impact on profit and loss account		
	(a) financial assets and liabilities designated at fair value		
	(b) other financial assets mandatorily measured at fair value		
120.	**Intermediation margin**	**5.189.984**	**5.895.635**
130.	Net adjustments/write-backs for credit risk of:	-705.149	-1.503.371
	(a) financial assets measured at amortised cost	*-705.149*	*-1.503.371*
	(b) financial assets measured at fair value with impact on comprehensive income		
140.	Gains/losses from contractual changes without cancellations		
150.	**NET RESULT OF FINANCIAL MANAGEMENT**	**4.484.835**	**4.392.264**
160.	Administrative expenses:	-2.367.827	-2.320.277
	(a) personnel expenses	*-1.207.013*	*-1.124.255*
	(b) other administrative expenses	*-1.160.814*	*-1.196.022*
170.	Net provisions for liabilities and charges	-30.060	-26.406
	(a) commitments and guarantees given	*-5.395*	*8.875*
	b) other net provisions	*-24.665*	*-35.281*
180.	Net Value Adjustments/Write-backs on Tangible Assets	-59.457	-61.106
190.	Net value adjustments/write-backs on intangible assets	-75.000	-75.000
200.	Other operating income and expenses	144.530	400.435
210.	**OPERATING COSTS**	**-2.387.814**	**2.082.354**
220.	Gains (Losses) on participations		
230.	Net result of fair value measurement of tangible and intangible assets		-51.500
240.	Goodwill Value Adjustments		
250.	Gains (Losses) on disposal of investments		
260.	**Profit (Loss) from continuing operations before tax**	**2.097.021**	**2.258.410**
270.	Income tax for year on current operations	-699.255	-755.738
280.	**Profit (Loss) from continuing operations after tax**	**1.397.766**	**1.502.672**
290.	Profit (Loss) from discontinued operations after tax		
300.	**Profit (loss) the year**	**1.397.766**	**1.502.672**

Immobiliare 1884 S.r.l.

	31/12/2024	31/12/2023
Balance Sheet		
Active		
B) Fixed Assets		
I - Intangible fixed assets		
7) others		947
Total intangible fixed assets		947
II - Tangible fixed assets		
1) land and buildings	9.713.901	9.107.808
2) plant and machinery	879.629	854.249
3) industrial and commercial equipment	108.553	130.083
4) other assets	55.971	69.264
5) Assets under construction and advances		
Total tangible fixed assets	10.758.054	10.161.404
III - Financial fixed assets		
2) Credits		
(d-bis) towards others		
due within next financial year	2.835.670	3.179.658
due beyond next financial year	108	91
Total receivables from others	2.835.778	3.179.749
Total credits	2.835.778	3.179.749
Total financial fixed assets	2.835.778	3.179.749
Total fixed assets (B)	**13.593.832**	**13.342.100**
C) Current assets		
I - Inventories		
4) Finished products and goods	16.440.302	15.360.146
Total inventories	16.440.302	15.360.146
II - Credits		
1) towards customers		
due within next financial year	16.154	15.994
Total receivables from customers	16.154	15.994
5-bis) tax credits		
due within next financial year	848.905	1.059.804
Total tax receivables	848.905	1.059.804
5-quater) towards others		
due within next financial year	129.946	623.286
Total receivables from others	129.946	623.286
Total credits	995.005	1.699.084
IV - Cash and cash equivalents		
1) bank and postal deposits	18.127	119
Total cash and cash equivalents	18.127	119
Total current assets (C)	**17.453.434**	**17.059.349**
D) Accruals and deferrals	**2.748**	**1.759**
Total assets	**31.050.014**	**30.403.208**
Passive		
A) Net assets		
I - Capital	13.500.000	13.500.000
IV - Legal reserve	21.011	21.011
VI - Other reserves, separately indicated		
Extraordinary reserve	131.844	399.209
Various other reserves	1	2
Total other reserves	131.845	399.211
IX - Profit (loss) for the year	(99.546)	(267.365)
Total net assets	**13.553.310**	**13.652.857**
D) Payables		
4) bank debts		
due within next financial year	16.440.452	15.944.391
due beyond next financial year	639.184	690.186
Total due to banks	17.079.636	16.634.577
7) payables to suppliers		
due within next financial year	50.000	73.954
Total payables to suppliers	50.000	73.954
12) tax debts		
due within next financial year	171.589	13.921
Total tax payables	171.589	13.921
13) Payables to social security institutions		
due within next financial year	16.064	2.400

	31/12/2024	31/12/2023
Total due to social security institutions	16.064	2.400
14) other payables		
due within next financial year	6.496	1.496
Total other payables	6.496	1.496
Total debts	**17.323.793**	**16.726.348**
E) Accruals and deferrals	**172.911**	**24.003**
Total liabilities	**31.050.014**	**30.403.208**

	31/12/2024	31/12/2023
Profit and Loss Account		
A) Production value		
1) revenues from sales and services	666.637	854.875
5) other revenues and income		
others	4.852	29.377
Total other income and revenues	4.852	29.377
Total value of production	**671.489**	**884.252**
B) Production costs		
6) for raw materials, consumables and goods	814.497	3.401.047
7) for services	143.170	164.309
10) depreciation and amortisation		
a) Amortisation of intangible fixed assets	947	989
b) depreciation of tangible fixed assets	381.532	224.691
Total Depreciation and Amortisation	382.479	225.680
11) Changes in inventories of raw, ancillary and consumable materials and goods	(1.080.156)	(3.136.808)
14) sundry operating expenses	127.378	159.432
Total production costs	**387.368**	**813.660**
Difference between value and cost of production (A - B)	**284.121**	**70.592**
C) Financial income and expenses		
16) other financial income		
(d) income other than the above		
others	2	10
Total income other than the above	2	10
Total other financial income	2	10
17) interest and other financial charges		
others	371.411	327.442
Total interest and other financial expenses	371.411	327.442
Total financial income and expenses (15+ 16 +- 17-bis)	**(371.409)**	**(327.432)**
Profit before tax (A - B+ - C+ - D)	**(87.288)**	**(256.840)**
20) Current, Deferred and Prepaid Income Taxes for the Year		
current taxes	12.258	10.525
Total income taxes for the year, current, deferred and prepaid	**12.258**	**10.525**
21) Profit (loss) for the year	**(99.546)**	**(267.365)**

Property List

LIST OF IMMOVABLE PROPERTY WITH INDICATION OF REVALUATIONS CARRIED OUT AS OF 31/12/2024 - Law 1G/03/1G83 no. 72 art. 10.

Description	Historical cost	Rev. L.576/75	Rev. L.72/83	Rev. L.413/91	Riv. from F.T.A. las 01/01/2005	Total Buildings as at 31/12/2024	of which land value as at 31/12/2024	of which building value as at 31/12/2024	Amortisation fund as at 31/12/2024	Balance sheet value as at 31/12/2024
Barberino V.E. P.za Capocchini, 21/23 - Branch	148.309	0	0	0	475.968	**624.277**	0	624.277	458.844	**165.434**
Castelfiorentino Via Cerbioni - Archive 1	642.111	0	0	0	227.844	**869.955**	185.000	684.955	514.290	**355.664**
Castelfiorentino Via Cerbioni - Archive 2	497.075	0	0	0	98.101	**595.176**	150.000	445.176	284.169	**311.007**
Castelfiorentino Via Gozzoli, 45 - Branch	1.004.113	0	0	0	1.013	**1.005.126**	250.000	755.126	463.678	**541.448**
Castelfiorentino Via Piave - Headquarters	13.938.824	10.641	10.641	106.016	3.598.015	**17.664.136**	2.888.620	14.775.516	5.415.100	**12.249.036**
Castelfiorentino Via Piave/Via Veneto - Headquarters	1.433.222	0	0	0	0	**1.433.222**	146.400	1.286.822	231.628	**1.201.594**
Cerreto Guidi Via V. Veneto, 59 - Branch	494.436	0	0	0	216.286	**710.722**	0	710.722	421.805	**288.917**
Empoli Via Cappuccini, 4 - Branch	68.971	0	0	0	156.468	**225.439**	0	225.439	165.702	**59.737**
Empoli Via Chiarugi, 4 - Branch	4.522.834	0	0	0	2.747.576	**7.270.410**	2.000.000	5.270.410	4.566.207	**2.704.203**
Florence Via Maggio - Branch	1.584.726	0	0	0	0	**1.584.726**	0	1.584.726	590.079	**994.647**
Florence Via Varchi, 2/4 - Headquarters	12.125.031	0	0	0	0	**12.125.031**	1.222.000	10.903.031	3.257.495	**8.867.536**
Fucecchio Piazza Montanelli - Branch	4.880.190	0	0	0	0	**4.880.190**	900.000	3.980.190	1.438.611	**3.441.579**
Gambassi Terme Via Garibaldi, 18 - Branch	156.805	1.033	44.196	3.352	336.003	**541.389**	0	541.389	428.010	**113.380**
Gambassi Terme Via Volta, 19/21 - Archive 3	1.723.216	0	0	0	0	**1.723.216**	552.655	1.170.561	539.143	**1.184.073**
Greve in Chianti Piazza Matteotti - Branch	845.729	0	0	0	0	**845.729**	73.200	772.529	203.390	**642.339**
Montespertoli Via Romita 105 - Branch	252.244	0	0	0	0	**252.244**	0	252.244	90.533	**161.711**
Poggibonsi Via S.Gimignano, 24/26 - Branch	2.260.821	0	0	0	710.082	**2.970.903**	935.000	2.035.903	1.681.912	**1.288.991**
San Miniato Via Tosco Romagnola - Branch	271.697	0	0	0	0	**271.697**	50.193	221.504	66.483	**205.214**
Total	**46.850.356**	**11.673**	**54.837**	**109.367**	**8.567.356**	**55.593.588**	**9.353.069**	**46.240.519**	**20.817.079**	**34.776.509**