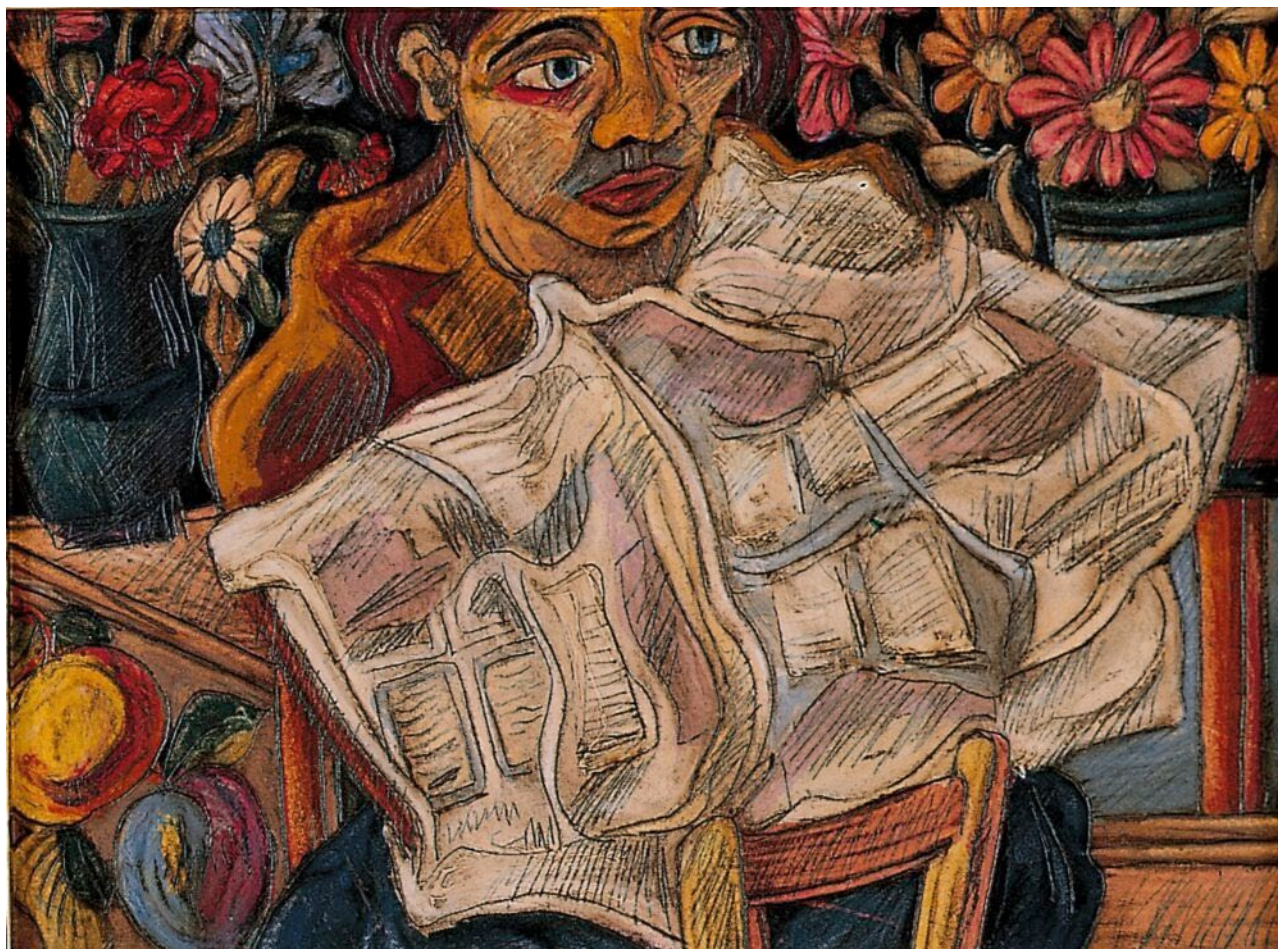


Annual Financial Report 2025





BEPPE SERAFINI (1915–1987),
“Newspaper Reader”
second half of the 20th
century, oil and engravings on cardboard,
30x40 cm,
Collection of Banca

Banca Cambiano 1884 S.p.A.

Registered office and Head Office: Viale Antonio Gramsci, 34 – 50132 Florence

Operational headquarters: 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 fully paid
up

Florence Companies Register number, Tax Code and VAT number: 02599341209

RIAD MFI code: IT0003038145782 LEI

code: 8156007395B20763EB44

Parent company of the Cambiano Banking

Group, registered under no. 238 in the

Register of Banking Groups

Member of the Interbank Deposit Protection Fund and the National Guarantee Fund

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CORPORATE OFFICERS AS AT 31 DECEMBER 2025

Board of Directors	
Chairman	Paolo Regini ⁽²⁾
Director	Niccolò Abriani ⁽⁵⁾
Director	Fausto Falorni
Director	Sara Lombardi ^{(1) (2)}
Board Member	Leonardo Melosi ⁽⁵⁾
Board Member	Antonella Rapi ^{(4) (5)}
Board Member	Francesca Vignolini ^{(1) (3)}
Board of Statutory Auditors	
Chair	Stefano Pozzoli ⁽⁵⁾
Standing Auditor	Elena Gori ⁽⁵⁾
Standing Auditor	Alessandro Torcini ⁽⁵⁾
Alternate Statutory Auditor	Francesco Mazzi ⁽⁵⁾
Alternate Auditor	Stefano Vignoli ⁽⁵⁾
General Management	
Acting Chief Executive	Federica Paoletti ⁽⁶⁾
Deputy Director-General	Bruno Chiecchio
Auditors	
	Deloitte C Touche S.p.A.
(1) Independent Director (2) Member of the Risk Committee (3) Chair of the Risk Committee (4) Anti-Money Laundering Officer (5) In office since 16 December 2025 (6) In office since 12 November 2025; previously Deputy General Manager	
Positions held during the financial year:	
Vice-Chair of the Board of Directors	Enzo Anselmi <i>(in office until 1 December 2025)</i>
Member of the Board of Directors	Mauro Bagni <i>(in office until 1 December 2025)</i>
Member of the Board of Directors	Giuseppe Salvi <i>(in office until 1C December 2025)</i>
Chairman of the Board of Statutory Auditors	Gaetano De Gregorio <i>(in office until 1C December 2025)</i>
Standing Auditor	Riccardo Passeri <i>(in office until 1 December 2025)</i>
Standing Auditor	Manuela Sodini <i>(in office until 1C December 2025)</i>
Alternate Auditor	Luca Quercioli <i>(in office until 1C December 2025)</i>
Alternate Auditor	Enrico Terzani <i>(in office until 1C December 2025)</i>
Chief Executive	Francesco Bosio <i>(in office until 12 November 2025)</i>

NOTICE OF MEETING



BEPPE SERAFINI (1915–1987),
“Farmers”
second half of the 20th
century, oil and engravings on cardboard,
40x50 cm,
Bank Collection

COMMERCIAL NOTICES

NOTICES OF GENERAL MEETINGS

BANCA CAMBIANO 1884 S.P.A.

*Registered under No. 5667 in the Register of Parent
Banks of the Cambiano Banking Group, registered under
No. 238 in the Register of Banking Groups*

Registered office: Viale Antonio Gramsci, 34 - 50132 Florence
(FI), Italy

Share capital: €232,800,000 fully paid-up

Company Register: Florence no. 02599341209 R.E.A.:
648868

Tax Code: 02599341209

VAT number: 02599341209

Notice of Ordinary General Meeting

The Shareholders are hereby convened to an ordinary general meeting on first call on 27 May 2026 at 6.00 pm, and, if necessary, on second call on 12 June 2026 at 11.00 am, at the registered office in Florence, Viale Antonio Gramsci No. 34, to discuss and resolve on the following agenda:

- 1) Announcements by the Chairman;
- 2) Subjection of the 'extra-profit' reserve to the extraordinary levy referred to in Decree-Law No. 104 of 10 August 2023, converted with amendments by Law No. 136 of 9 October 2023: payment of the levy through the use of profit reserves;
- 3) Approval of the annual financial statements of Banca Cambiano 1884 S.p.A. as at 31 December 2025, accompanied by the reports of the Board of Directors, the Board of Statutory Auditors and the independent auditors. Presentation of the consolidated financial statements of the Cambiano Banking Group as at 31 December 2025;
- 4) Resolutions on the allocation and distribution of profits;
- 5) Remuneration and incentive policies of the Cambiano Banking Group:
 - i) Annual report on remuneration and incentive policies for the year 2025;



ii) Approval of the Remuneration and Incentive Policies for the year 2026;

6) Determination of the number of members of the Board of Directors;

7) Determination of Directors' remuneration – Related and consequential resolutions;

8) Appointment of Directors for the financial years 2026–2027–2028.

Notes

Please note that:

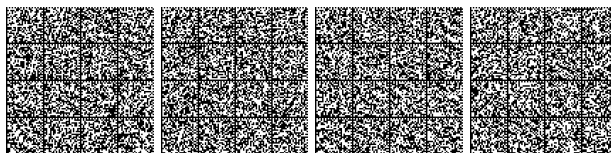
a) pursuant to Article 11 of the Articles of Association and the Rules of Procedure for Shareholders' Meetings, a shareholder may be represented by another shareholder who is a natural person and who is not a director, statutory auditor or employee of the Company, by means of a written proxy stating the name of the representative and in which the signatory's signature is authenticated by the Chairman, by directors or employees of the Company delegated for this purpose by the Board of Directors, by a notary or by another public official authorised by law; the Board of Directors has delegated the task of authenticating the principal's signature to all members of the General Management and Branch Managers; a proxy to vote may also be granted by means of an electronic document signed in accordance with the provisions of current legislation and sent to the Company at the email addresssegreteria.societaria@bancacambiano.it. No shareholder may receive more than 15 proxies;

b) shareholders who do not hold their shares in custody with the Bank and wish to attend the general meeting (including for the purposes of the obligations referred to in the third paragraph of Article 2370 of the Civil Code) must, at least two days before the date set for the general meeting, deposit at the registered office a document proving their entitlement to attend and vote at the general meeting; Shares may not be collected before the end of the meeting.

Florence, 27 April 2026

The Chairman of the Board of Directors, Paolo
Regini

TX26AAA4604 (Subject to a fee).





CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED MANAGEMENT REPORT

*Since the Middle Ages, Italians have been
accustomed to creating, in the shadow of bell
towers, beautiful things
that the world admires*
Carlo Maria Cipolla

Introduction

The following is an analysis of the performance of the Cambiano Banking Group during the 2025 financial year.

Banca Cambiano 1884 S.p.A. is the parent company and the main *asset* of the Cambiano Banking Group, as well as the entity within which the governance and control functions are centred. In accordance with current practice, Banca Cambiano prepares a single document entitled “Annual Financial Report”, which comprises the Consolidated Financial Statements of the “Cambiano Banking Group” and the company’s financial statements, consisting of the separate financial statements of Banca Cambiano 1884 S.p.A. For this reason, the description of the main events and qualitative aspects of operations that characterised the financial year ended 31 December 2025 is contained in the Consolidated Management Report.

With regard to the separate and consolidated financial statements for the 2025 financial year, the Board of Directors has exercised the option provided for by law and the Articles of Association to approve them within the extended period of 180 days, in view of the need to obtain the accounting data of the subsidiary CH Holding S.p.A., which has been included in the scope of consolidation with effect from these financial statements.

* * *

2025 was a year that saw Banca Cambiano undergo significant changes.

A 26-year period of governance came to an end, partly in response to the recommendations arising from the recent supervisory review aimed at renewal, which the bank promptly implemented, as demonstrated by the resignation of the Chief Executive a few days after the submission of the inspection report and the resignations of three directors and the entire Board of Statutory Auditors.

It must, however, be acknowledged that during this long period, since 1999, the Bank has grown from 450 million in deposits and 7–8 branches to nearly 6 billion in deposits, 3 billion in lending and 44 branches. Precisely in light of these figures, the Supervisory Authority’s request, although ‘*imposed from above*’, must be seen as a genuine opportunity to embark on a phase of innovation and renewal: objectives which were already set out in the Bank’s plan.

Equally remarkable are the many initiatives undertaken in recent years: from the resolution of critical issues relating to the subsidiary Binter, on the advice of the Bank of Italy, which led to the subsequent merger by incorporation, to the successful ‘wayout’ operation in 2016 – which was tackled and successfully navigated despite numerous external difficulties – to the acquisition by merger of Invest Banca in 2021, which also took place at the instigation of the Bank of Italy, managing losses of almost 40 million whilst safeguarding all jobs and responsibly addressing external challenges. Another key measure over the years was the resolution of the stake in Cabel Industry, a technology services provider, by withdrawing from the company’s shareholding structure, as required by the Supervisory Authority.

In light of this, it is regrettable that the results achieved over the years and the objective successes of the past are not being recognised.

An intensive reorganisation and revitalisation programme is currently underway, which will see the Cambiano Banking Group tackle the challenges ahead by working to continue upholding the model of a local bank – a driving force in Tuscany and the other regions where it operates – characterised by a distinctive approach towards customers and members, in the hope that the spirit which has enabled the Bank’s growth since 1999 will be maintained, albeit with new energy and partnerships.

Economic landscape: international, national and local

In 2025, the global economy underwent a transition towards a different balance in international political and economic relations. Geopolitical issues lie at the heart of these changes. There are various channels through which political scenarios influence economic ones: certainly, last year attention was drawn above all to the implications this had for international trade policies; this, in turn, fuelled uncertainty and discouraged investment.

Another channel is that of commodity prices: whilst Europe had been hit by reduced supplies of Russian gas following the crisis in Ukraine, this time the energy sector is characterised by uncertainty due to the evolving political landscape in the various crisis-hit regions.

2025 was also a turning point in terms of innovation. In particular, there is an acceleration in investment in artificial intelligence technologies, with implications for the energy infrastructure sector as well. Geopolitical risks and opportunities linked to new technologies are shaping a scenario in which uncertainty has increased significantly.

The difficulties in assessing the outlook are also reflected in interpretations of the stock market rally – particularly in the US – depending on whether the rise in share prices of companies linked to artificial intelligence is seen as the result of a development phase driven by major technological changes, or as a bubble that could burst should these companies' earnings fall short of expectations.

The actual scope of new technologies also has implications for medium-term growth prospects. The international economic outlook could improve should current investments lead to an acceleration in productivity. Initially, this effect could widen the technological gap between countries, with the United States benefiting most of all, but in the medium term the spillover effects of these innovations would have positive impacts on all sectors of the global economy.

In 2025, the global economy grew by 3.3 per cent, in line with the previous year. The stability of the economic outlook reflects a balance between opposing factors. On the one hand, changes in trade policies have increased uncertainty and hampered international trade; on the other, the sharp rise in investment in digital technologies, including artificial intelligence, has underpinned economic activity. In recent months, however, expectations regarding the potential productivity gains associated with these technologies have been partially revised downwards. Inflation has fallen, allowing central banks to adopt a more accommodative stance, whilst financial markets, benefiting from favourable financial conditions, have shown strong sectoral resilience.

According to estimates by the International Monetary Fund, in 2025 the major emerging economies recorded robust growth (+4.4 per cent), outpacing that of the advanced economies (+1.7 per cent). Among the major countries, India continued to show very strong growth (+7.3 per cent), exceeding the previous year's rate. In China, GDP growth stood at 5 per cent, a slight increase compared with 2024. In Brazil, economic activity grew by 2.5 per cent, slowing down compared with the previous year. Russia recorded a further increase in output for the third consecutive year (+0.6 per cent).

The US economy in 2025 saw GDP growth of +2.2 per cent, marking a slower pace of growth than the previous year (2.8 per cent). The main factors contributing to GDP growth were private consumption (+1.8 percentage points) and gross fixed capital formation (+0.5 points), whilst the trade balance had a negative impact on growth (-0.2 points), against a backdrop of uncertainty linked to the US administration's tariff policies.

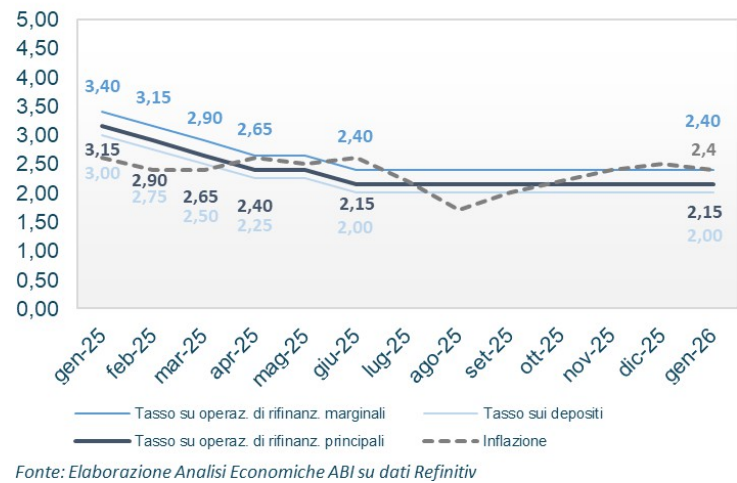
In 2025, GDP in the euro area rose by 1.5% on average for the year (following the +0.9% recorded in 2024). The following factors made a positive contribution: private consumption (+0.8 percentage points), gross fixed capital formation (+0.6 points), public expenditure and inventories (both +0.3 points). The balance of payments made a negative contribution (-0.6 percentage points). Industrial production in the euro area rose by 1.6% in 2025.

In 2025, price pressures in the euro area continued to ease: from 2.5% at the start of the year, the harmonised inflation rate gradually fell to 2.0% in the summer, before fluctuating between 2.0% and 2.2% in the second half of the year, closing at 2.0% in December. On average, the inflation rate in the euro area stood at around 2.1% in 2025, down from 2.4% in 2024. Core inflation (excluding energy and food) averaged 2.4% for the year, gradually declining from 2.8% in 2024.

Key macroeconomic figures						
	GDP			Industrial production**		
	(average annual % change)			(average annual % change)		
	2023	2024	2025	2023	2024	2025
USA Japan	2.9	2.8	2.2	-0.2	-0.7	1.2
Eurozone	1.2	0.1	1.1 *	-1.4	-3.0	1.2
- Italy	0.4	0.9	1.5	-1.6	-3.1	1.6
- Germany	0.9	0.8	0.5	-2.1	-3.9	-0.2
- France	-0.9	-0.5	0.2	-1.8	-4.4	-1.1
- Spain	1.4	1.2	0.8	0.7	-0.1	0.5
	2.5	3.5	2.8	-1.6	0.4	1.3
	Inflation (CPI)***			Unemployment rate		
	(average annual % change)			(annual average % change)		
	2023	2024	2025	2023	2024	2025
USA Japan	4.1	3.0	2.6	3.6	4.0	4.3
Eurozone	3.3	2.7	3.2	2.6	2.5	2.5
- Italy	5.4	2.4	2.1	6.6	6.4	6.4
- Germany	5.9	1.1	1.7	7.7	6.6	6.1
- France	6.0	2.5	2.3	3.1	3.4	3.8
- Spain	5.7	2.3	0.9	7.3	7.3	7.7
	3.4	2.9	2.7	12.2	12.2	10.5
* Forecast from the World Economic Outlook, International Monetary Fund.						
** Seasonally adjusted figure.						
*** For Eurozone countries, the harmonised index of consumer prices has been used.						
Source: ABI Economic Analysis based on Refinitiv data						

As regards monetary policy, over the course of 2025, the ECB Governing Council gradually moved away from its restrictive stance, bringing interest rates towards a neutral level against a backdrop of entrenched disinflation and inflation prospects stable around the 2% target in the medium term.

Tassi di riferimento BCE e inflazione



In the first half of the year, the Governing Council continued the cycle of easing begun in 2024, proceeding with further cuts to key interest rates. In the second half of the year, judging that rates were now close to a level appropriate for controlling inflation, the Governing Council opted to pause the easing process, keeping rates unchanged at its meetings from July to December 2025. Specifically, at the first four meetings of 2025 (January, March, April and June), the Governing Council implemented four further cuts of 25 basis points each, bringing the deposit rate to 2.00 per cent, the main refinancing operations rate to 2.15 per cent and the marginal lending facility rate to 2.40 per cent, thereby completing a cycle of eight cuts that halved the key interest rate from 4.00 per cent to 2.00 per cent. At its meetings in July, September, October and December 2025, judging that inflation was on track to stabilise around the 2% target in the medium term and that the monetary policy transmission process was sufficiently advanced, the Governing Council kept the three key interest rates unchanged. Throughout 2025, the balance sheet normalisation initiated in previous years continued, and the PAA and PEPP portfolios were reduced in a steady and predictable manner. At the

first meeting of 2026, the Governing Council kept interest rates unchanged, confirming the transition towards a phase of stability: the deposit rate remained at 2.00 per cent, the rate on the main refinancing operations at 2.15 per cent and the rate on the marginal lending facility at 2.40 per cent.

In 2025, the Italian economy continued to be affected by a complex international environment. Persistent global trade tensions, uncertainty surrounding US tariff policies and the structural weakness of German demand all contributed to holding back growth. Over 2025 as a whole, GDP grew by 0.5 per cent, a slight slowdown compared with the 0.8 per cent recorded in the previous year. The contribution of domestic demand, net of inventories, to the change in GDP was positive (+1.5 percentage points): domestic final consumption made a positive contribution, supported by volume growth of 0.9 per cent, whilst gross fixed capital formation rebounded sharply (+3.5 per cent), following a contraction of 3.1 per cent in 2024, driven by the acceleration of projects funded by the PNRR. The contribution from net external demand was negative at -0.7 percentage points, reflecting the weakness of international trade; the contribution from the change in inventories was also negative at -0.2 points. In 2025, industrial production showed a slight decline, with an average annual fall of 0.2 per cent. Analysing the main industrial sectors, growth of 1 per cent was recorded for energy, whilst declines were seen for intermediate goods (-0.6 per cent), consumer goods (-0.5 per cent) and capital goods (-0.4 per cent).

For the labour market, 2025 was a positive year overall. Following the growth recorded in 2024, the employment rate showed further improvement last year, standing at 62.6 per cent, an increase of four tenths of a percentage point on the previous year. The unemployment rate fell on average over the year from 6.6% to 6.1%, whilst youth unemployment remained broadly stable.

Based on Istat estimates, in 2025 the net debt of the general government (GG), measured as a percentage of GDP, stood at -3.1 per cent, compared with -3.4 per cent in 2024. The general government primary balance (net borrowing excluding interest payments) in 2025 was positive at €16.9 billion, representing +0.7 per cent of GDP (+0.5 per cent in 2024), whilst the debt-to-GDP ratio rose to 137.1 per cent from 134.7 per cent in 2024. The overall tax burden stood at 43.1 per cent, up from the previous year (42.4 per cent), due to growth in tax and social security contributions (+4.2 per cent) outpacing that of GDP at current prices (+2.5 per cent).

Against a backdrop of gradually normalising monetary conditions and households and businesses continuing to adopt a cautious approach to liquidity allocation, the banking sector saw a gradual rebalancing of its funding structure, with more uniform growth across the various components and a further strengthening of the deposit base, which continues to account for the lion's share of bank funding.

More specifically, as at December 2025, euro-denominated customer funding of all banks resident in Italy

- comprising deposits from resident customers and bonds (net of those repurchased by banks)
- stood at 2,141 billion euros, marking a year-on-year increase of +2.2 per cent and a rise in the stock of approximately 45 billion euros compared with December 2024.

An analysis of the components shows that deposits from resident customers grew by 2.3 per cent year-on-year (an increase of 43 billion euros year-on-year), standing at 1,873 billion euros. The bond component, following a period of weakness in the first half of the year, recorded a gradual recovery towards the end of 2025, whilst maintaining a significantly slower growth rate compared with the figures recorded in 2023 and 2024. In December 2025, bonds therefore stood at €268 billion, up by 1.0%.

Customer deposits and bonds held by banks in Italy						
	Funds raised (deposits and bonds)		Customer deposits resident ¹		Bonds ²	
	billion €	% change y/y	billion €	% change y/y	€bn	% change y/y
Dec-24	2,095.6	2.7	1,830.5	2.0	265.1	7.2
Jan-25	2,069.2	2.7	1,803.5	2.2	265.7	6.1
Feb-25	2,062.2	2.1	1,795.2	1.5	267.0	6.3
Mar-25	2,080.3	2.0	1,814.3	1.8	266.0	3.1
Apr-25	2,072.8	1.6	1,811.5	1.9	261.3	-0.6
May-25	2,110.8	3.2	1,848.8	3.8	261.9	-0.9
Jun-25	2,092.5	0.6	1,826.1	0.7	266.4	0.3
25 July	2,092.8	2.7	1,824.5	2.8	268.3	2.1
Aug-25	2,104.2	2.7	1,837.1	2.7	267.1	2.1
Sep-25	2,107.6	3.0	1,839.8	3.1	267.8	2.7
Oct-25	2,111.3	2.9	1,839.6	2.7	271.7	4.1
Nov-25	2,135.9	2.6	1,866.5	2.7	269.5	1.9
Dec-25	2,140.9	2.2	1,873.3	2.3	267.7	1.0

¹ Deposits from ordinary resident private customers, excluding deposits from MFIs and central government. These include current accounts, deposits redeemable at notice, fixed-term deposits and repurchase agreements. The figures are net of transactions with central counterparties and fixed-term deposits related to credit sales.

² Recorded at nominal value and expressed in euros, they include subordinated liabilities and exclude bonds purchased by banks. They relate to resident and non-resident customers.

Source: ABI Economic Analysis based on Bank of Italy data

In 2025, credit trends showed a gradual strengthening, marking the transition from a phase of contraction to one of moderate expansion over the course of the year, supported by more favourable financial conditions and a consolidation of demand for loans from businesses and households.

More specifically, in the fourth quarter of 2025, demand for loans from businesses rose slightly, reflecting increased needs for debt refinancing, fixed investment and corporate mergers or acquisitions. Demand for loans from households strengthened, driven by lower interest rates. Higher household confidence also contributed to the rise in mortgage lending, whilst increased spending on durable goods drove growth in consumer credit.

In detail, bank loans to customers, amounting to €1,657 billion in December 2025, recorded year-on-year growth of 0.8 per cent, following a 1.1 per cent decline at the end of 2024. Loans to the resident private sector, amounting to €1,440 billion, rose by 2.1% (+0.3% in December 2024), whilst loans to households and non-financial corporations, standing at €1,290 billion, increased by 2.2% – a marked improvement on the 1.0% decline recorded in December 2024.

Bank lending in Italy (excluding interbank lending) *						
	Total lending		private sector *		of which: to households and non-financial corporations	
	private sector and public administration *					
	billion €	% change y/y ⁽¹⁾	billion €	% change y/y ⁽¹⁾	billion €	% change y/y ⁽¹⁾
Dec-24	1,648.9	-1.1	1,416.6	-0.3	1,266.9	-1.0
Jan-25	1,638.8	-0.7	1,405.9	-0.3	1,264.4	-0.8
Feb-25	1,636.5	-0.4	1,404.9	0.0	1,264.4	-0.6
Mar-25	1,644.3	-0.1	1,416.0	0.5	1,271.5	0.0
Apr-25	1,641.8	0.3	1,415.8	1.0	1,272.4	0.3
May-25	1,644.3	0.4	1,413.7	0.7	1,272.5	0.1
Jun-25	1,653.3	0.5	1,426.7	1.1	1,281.3	1.0
Jul-25	1,651.7	0.7	1,425.4	1.3	1,283.1	1.3
Aug-25	1,640.2	0.9	1,413.7	1.6	1,275.5	1.6
Sep-25	1,647.0	0.9	1,421.7	1.6	1,279.8	1.7
Oct-25	1,645.0	1.1	1,419.2	1.8	1,278.5	1.7
Nov-25	1,655.2	1.4	1,429.6	2.1	1,287.0	2.1
Dec-25	1,656.6	0.8	1,440.1	2.1	1,289.9	2.2

* Includes gross non-performing loans and repurchase agreements. Private sector: non-financial corporations, consumer and producer households, non-profit institutions, other financial institutions, insurance companies and pension funds. The figures are net of transactions with central counterparties.

⁽¹⁾ Changes calculated by including loans not recorded on banks' balance sheets as they have been securitised, and net of changes in outstanding amounts not related to transactions (e.g. changes due to exchange rate fluctuations, value adjustments or reclassifications).

Source: ABI Economic Analysis based on Bank of Italy data

Tuscany's economy in 2025 shows overall resilience at an aggregate level, but is characterised by significant sectoral differences. Against a backdrop of international uncertainty, stability prevails in terms of turnover, orders and

employment for a significant proportion of firms, whilst expectations for 2026 remain marked by caution, particularly regarding investment. The picture that emerges is one of a widespread slowdown, rather than a generalised crisis, with signs of resilience coexisting with elements of fragility. Within this scenario, the manufacturing sector appears more exposed to cyclical difficulties than other sectors. Manufacturing firms are reporting negative trends in turnover and orders more frequently, greater underutilisation of production capacity and less favourable expectations for 2026. Pressures on production costs remain high and represent one of the main factors affecting business performance. The overall picture suggests a phase in which manufacturing firms are called upon to manage both weak demand and cost pressures simultaneously, with limited room for manoeuvre.

The in-depth analysis of the fashion sector highlights particularly acute challenges, but also more profound structural transformations. Alongside significant cyclical difficulties, firms report changes affecting demand, the organisation of production, supply chain relationships and the workforce. Interpretations of the current phase appear polarised and strongly linked to firms' position in the value chain: contract manufacturers focused on high-volume production are more likely to view the difficulties as a temporary crisis, whilst integrated firms and high-end contract manufacturers seem more inclined to see the ongoing changes as part of a structural reorganisation of the sector. Taken as a whole, the results paint a picture of a fashion system undergoing restructuring, characterised by processes of selection, retraining and adaptation.

Overall, there is a need for policies capable of combining short-term responses with structural support. On the one hand, it is clear that businesses need support in managing this period of uncertainty, particularly in the most exposed manufacturing sectors. On the other hand, evidence of the transformations underway, particularly within the fashion sector, draws attention to measures aimed at enhancing the quality of supply chains, strengthening skills, ensuring transparency in production relationships, and enabling businesses to adapt to rapidly changing organisational and market models. From this perspective, the fashion sector serves as a prime observatory for dynamics that are increasingly affecting the entire regional production system.

As for the tourism sector, following four years of uninterrupted growth – which have enabled a return to pre-pandemic levels – 2025 is also characterised by an increase in visitor numbers, albeit at a more modest rate than in 2024. Tourist arrivals at official accommodation establishments have surpassed the 54 million mark, showing an increase of 2.5 per cent, driven by two contrasting trends in domestic and international markets and concentrated in particular on certain categories of accommodation. The significant rise in foreign visitor numbers (+3.8 per cent) – albeit more moderate than in 2024 and driven in particular by non-European markets (+6.1 per cent) – contrasts with the substantial stability of Italian visitor numbers (+0.7 per cent).

The climate of uncertainty is further exacerbated by the conflict between the United States, Israel and Iran, which has already caused significant tensions in the energy markets, with rises in the prices of oil, gas and electricity. Assuming a scenario in which the cost of imported energy goods rises by 50% for at least twelve months, estimates from various institutions indicate a 1% rise in inflation and a 0.3% fall in GDP.

The effects would also be felt by businesses, impacting production, transport and utility costs and jeopardising their profitability. The potential impact on employment would affect many workers, with the severity varying across sectors depending on their respective energy intensity.

Households would also face a significant additional burden, estimated at an average of around 768 euros per year per household: this increase would account for 1.7 per cent of household income and would weigh relatively more heavily on households with lower disposable incomes.

The rise in energy prices risks triggering an inflationary spiral, with clear negative effects on the real economy. The economic impact of the conflict will depend largely on its duration and geographical scope, two variables for which, at present, it is not possible to make reliable forecasts. If the price rise proves to be temporary, the consequences are likely to be limited to market volatility and higher immediate supply costs. If, on the other hand, the price rises prove to be persistent, they will tend to be progressively passed on to consumer prices, production costs, investment and employment, ultimately leading to recessionary effects and a loss of competitiveness in the economy.

Development and composition of the Group and the scope of consolidation

The Parent Company, which acts as the Bank of Italy's point of contact for supervisory purposes, is responsible for setting policy, providing centralised management and coordinating the companies in which it holds a direct or indirect stake; in particular, it issues directives to Group companies, including for the implementation of instructions issued by the Bank of Italy in the interests of the Group's stability.

In this context, strategic control over the various operational areas and management control aimed at ensuring the maintenance of economic, financial and capital stability for the individual companies and the Banking Group as a whole are of particular importance.

Banca Cambiano 1884 S.p.A., as the parent company of the Cambiano Banking Group, registered in the relevant Register under no. 238, is required to prepare the consolidated financial statements for the reasons set out below.

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

Banca Cambiano, as the parent company, is controlled by Ente Cambiano Scpa, which is not an IFRS intermediary (defined in Article 1 of Legislative Decree 136/2005 as *“the entities referred to in Article 2, paragraph 1, letter c), of Legislative Decree No. 38 of 28 February 2005, as amended”*) as it does not fall within any of the categories set out in that article: *“c) Italian banks referred to in Article 1 of the Consolidated Law on Banking and Credit referred to in Legislative Decree No. 385 of 1 September 1993, as amended; parent financial companies of banking groups entered in the register referred to in Article C4 of Legislative Decree No. 385 of 1993; securities brokerage firms referred to in Article 1(1)(e) of Legislative Decree No. 58 of 1993; asset management companies referred to in Article 1(o) of Legislative Decree No. 58 of 1993; financial companies entered in the register referred to in Article 107 of Legislative Decree No. 385 of 1993; electronic money institutions referred to in Title V-bis of Legislative Decree No. 385 of 1993”*. Ente Cambiano is, in fact, neither a bank, nor a parent financial company or a financial company registered under Article 107 of the Consolidated Banking Act (TUB), nor a securities firm (SIM), asset management company (SGR) or electronic money institution (IMEL). As the exemption provided for in subparagraph (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:

Parent company:

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 referred to 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 in accordance with and for the purposes of the combined provisions of Article 58 of the “Consolidated Law on Banking and Credit” and Article 2(3-bis) of Decree-Law No. 18 of 14 February 2016, No. 18, converted with amendments by Law No. 49 of 8 April 2016.

It is responsible for governance and control functions across the entire Group.

The share capital is €252,799,999.60. Shareholders’ equity is €287,330,810, and total assets are €4,268,461,821. The profit for 2024 was €7,030,200.

Group companies:

2) Cambiano Leasing S.p.A. – Empoli

The parent company holds 95 per cent of the share capital, which amounts to €10,000,000. It has been part of the Cambiano Banking Group since December 2017.

Cambiano Leasing S.p.A. provides finance lease services to customers of the parent bank and through agreements with networks of financial agents or agreements with other banks. As at 31 December 2025, shareholders’ equity stood at €26,869,640, total assets at €307,745,241, and profit for the year at €1,762,889.

3) Immobiliare 1884 S.r.l. – Florence

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

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

Immobiliare 1884 Srl, in compliance with the prudential and supervisory provisions of the Bank of Italy and, therefore, subject to the prohibition on speculative activities as defined by those provisions, has as its object, in support of the banking and financial activities of the Group to which it belongs, the carrying out of the following activities:

- the acquisition, management, enhancement, refurbishment, rationalisation, conversion and disposal of properties and real estate assets, and, more generally, the conduct of real estate activities of all kinds;

- the letting of property held by way of ownership, usufruct or other real right, as well as under finance lease agreements; the development of property portfolios intended for letting;
- the provision of services and consultancy in the property sector.

As at 31 December 2025, the share capital stood at €13.5 million, equity at €13,571,899, total assets at €26,869,640, and profit for the year at €18,589.

From the 2025 financial year onwards, C.H. S.p.A. is also included within the scope of consolidation. The company, which currently carries out purely passive property activities, was not previously included in the Banking Group and is 49.60 per cent owned by the Bank; it is included within the scope of both accounting and prudential consolidation as, based on the analysis carried out, the requirements for classifying the relationship with C.H. as a controlling interest within the meaning of IFRS 10 have been met. This conclusion is reached following the recognition, in the 2025 financial year, of control over the investee by virtue of the majority of votes actually cast by the Bank at the investee's general meeting—which approved the financial statements as at 31 December 2024—compared with the other minority shareholders present, and the simultaneous recognition of the other factors determining control as set out in the accounting standard (exposure to variable returns and the ability to direct returns).

Key summary figures

The following tables set out the summary financial and balance sheet data, calculated on the basis of the reclassified financial statements, the methods of preparation of which are explained in the 'Results' section of this Report.

It should be noted that the balance sheet figures as at 31 December 2025 include the contributions from Banca Cambiano 1884, Cambiano Leasing, Immobiliare 1884 and C.H..

A number of financial and balance sheet indicators, based on accounting data, are also presented; these correspond to those used by the Company's management for performance analysis and are consistent with the most widely accepted practices in the banking sector.

The annexes to the financial statements also provide a reconciliation statement between the items in the reclassified financial statements and those in the statements prepared in accordance with Bank of Italy Circular No. 262.

(millions of euros)

SUMMARY BALANCE SHEET AND INCOME STATEMENT DATA			
<i>figures in €/000</i>			
SUMMARY INCOME STATEMENT DATA	31/12/2025	31/12/2024	% change
Net interest income	80,794	84,508	-4.39%
Net commission income	30,523	30,515	0.03%
Operating income	125,170	123,101	1.68%
Total operating costs	80,366	75,076	7.05%
of which staff costs	37,485	35,805	4.69%
of which other administrative expenses	35,271	31,980	10.29%
Operating profit	44,804	48,025	-6.71%
Net profit for the year	8,254	14,958	-44.82%

SUMMARY BALANCE SHEET DATA	31 December 2025	31/12/2024	% change
Total assets	4,322,800	4,438,424	-2.61%
Total risk-weighted assets (RWA)	1,668,095	1,757,458	-5.08%
Loans to customers (net)	2,868,387	2,862,900	0.19%
of which non-performing loans	39,088	41,321	-5.40%
Total financial assets	850,296	930,932	-8.66%
Deposits	5,545,228	5,415,839	2.39%
of which direct deposits	3,645,751	3,729,511	-2.25%
of which indirect deposits	1,899,477	1,686,328	12.64%
Statutory net assets	307,706	291,207	5.67
Common Equity Tier 1 (CET1) capital	227,556	246,760	-7.78%
Total own funds	315,545	343,410	-8.11%

STRUCTURAL DATA	31 December 2025	31/12/2024	Absolute change
Employees (exact number)	452	443	9
Employees (average)	438	425	13
Number of branches	44	44	0

ECONOMIC AND FINANCIAL RATIOS			
PROFITABILITY RATIOS (%)	31 December 2025	31/12/2024	% change
Return on equity (ROE) (1)	3.16%	5.46%	-2.31%
Return on tangible equity (ROTE) (2)	3.05%	5.54%	-2.49%
Return on assets (ROA) (3)	0.21%	0.34%	-0.13%
Net interest income/Operating income	65.27%	69.09%	-3.82%
Net commission income/Operating income	24.39%	24.79%	-0.40%
Cost/Income (Operating expenses/Operating income) (4)	64.21%	60.99%	3.22%
STRUCTURAL RATIOS (%)			
Loans to customers / Total assets	66.35%	64.50%	1.85%
Loans to customers / Direct deposits from customers	78.68%	76.76%	1.91%
Financial assets / Total assets	19.67%	20.97%	-1.30%
Gross non-performing loans / Gross loans to customers	8.35%	7.83%	0.53%
Net non-performing loans / Net loans to customers	4.84%	4.84%	0.00%
OPERATING PRODUCTIVITY DATA (€/1,000)			
Loans to customers / employees (average)	6,549	6,736	-2.78%
Interest margin / employees (average)	184	199	-7.23%
Net commission income per employee (average)	70	72	-2.94%
Operating income per employee (average)	286	290	-1.34%
Operating expenses per employee (average)	104	177	-40.99%
REGULATORY CAPITAL ADEQUACY AND LIQUIDITY			
CET1 ratio	13.65%	14.04%	-0.39%
Tier 1 capital ratio	15.94%	16.32%	-0.37%
Total capital ratio	18.92%	19.54%	-0.62%

(1) ROE is calculated as the ratio of net profit for the year to equity excluding net profit.

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

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

(4) The cost-to-income ratio is calculated on the basis of the reclassified income statement formats (ratio of operating expenses to operating income). Calculated in accordance with the financial statement formats set out in Bank of Italy Circular 262/2005 and subsequent updates, the cost-to-income ratio stands at 64.98% (63.66% as at 31 December 2024).

Significant events during 2025

Inspections and supervisory measures

From 24 February to 13 June 2025, the Bank was subject to wide-ranging inspections, including those relating to anti-money laundering controls, which concluded with an overall assessment of 'partially unfavourable' due to shortcomings identified in governance processes and internal controls; at the same time, the related administrative sanctioning proceedings were initiated. Partly as a result of the findings of these inspections, on 12 November the General Manager tendered his resignation and the Board of Directors assigned the relevant powers to the Acting Deputy General Manager.

Furthermore, the Supervisory Authority, by letter Ref. No. 2156032/25 dated 5 November 2025, pursuant to Articles 53-bis(1)(b) and 67-ter(1)(b) of the Consolidated Banking Act (TUB), requested the Board of Directors to convene a General Meeting of Shareholders of Banca Cambiano, by 20 December 2025, with the agenda including the complete replacement of the Board of Statutory Auditors and one-third of the members of the Bank's Board of Directors, and to include on the agenda of the meeting to approve the 2025 financial statements the renewal of a further one-third of the members of the Board of Directors, including the Chairman.

The General Meeting of 16 December 2025 appointed three new directors and the entire Board of Statutory Auditors, following the resignation of three members of the Board of Directors and the entire Board of Statutory Auditors with effect from the date of the General Meeting itself.

The Supervisory Authority, by letter Ref. No. 2156032/25 dated 5 November 2025, also requested that the Board of Directors – as renewed following the General Meeting of 16 December 2025 – appoint an independent adviser within 20 days of taking office to prepare a capital increase suitable for

support the Strategic Plan and which involves the participation of a financial intermediary. In this regard, at its meeting on 5 January 2026, the Board of Directors appointed the firm Rothschild C Co.

With the support of the financial adviser, a detailed timeline has been drawn up with the aim of identifying the new shareholder by May 2026 and finalising the capital increase by September 2026.

2025–2029 Business Plan

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

The Plan was structured around the following four main points:

1. Balance sheet, profit and loss, and prudential results of the Plan: focuses on the financial and risk management results expected under the plan.
2. Projections under an adverse scenario: analyses the Plan's forecasts under unfavourable 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: sets out a general path for the implementation of the plan's initiatives.

The development of the new Plan takes place against a challenging backdrop of falling interest rates and lending volumes, and a focus on strengthening credit quality.

The Group's positioning within the context of the 2025–2029 Business Plan was based on several key points:

- Local roots: the bank is deeply embedded in the local community, combining tradition and innovation, social engagement and market dynamics to serve the real economy.
- Shared values: it promotes sustainable and sound growth, creating a virtuous circle of trust and appreciation amongst stakeholders, staff and local communities.
- Focus on ESG initiatives: this includes the launch of 'Renewable Energy Communities' (CERs).
- Mission:
 - To facilitate access to innovative products and services.
 - To support households, SMEs and local communities.
 - To improve credit quality.
 - Monitor risk management.
 - To safeguard reputation as a key priority.

This positioning reflected the Bank's commitment to combining traditional and innovative approaches in order to best meet the needs of the market and its stakeholders.

The Plan's key figures, which demonstrated the Bank's commitment to expansion and innovation, included:

- Gross loans net of non-performing loans: approximately €3.6 billion in outstanding loans to households and businesses by 2029.
- Staff turnover: approximately 50 and/or new hires with high professional calibre: approximately 15.
- Investments in transformational projects (2025–2027): projected at around €3 million.
- Review of the structure of sales outlets/branches. The

Plan's key levers for action were as follows:

- Targeted revitalisation of support for the local area: expanding lending operations into new sectors, regions and client groups; refining the cost-based, risk-adjusted pricing model; and boosting fee-based business (insurance, asset management, electronic payments, etc.).
- Qualitative growth in high-value areas: strengthening digital banking, including through partnerships with external companies.
- Optimisation of the liquidity position: optimising the liquidity position and implementing measures to contain funding costs.
- Improving credit quality: aligning risk indicators with market averages and improving the credit granting and management process by bringing it into line with best practice.
- – Efficiency, competitiveness and technological innovation: focus on operational and commercial excellence, maintain a constant focus on costs, and modernise IT.

Another significant element established during the financial year was the preparation of a succession plan for senior management, also in compliance with the requirements of the supervisory authorities regarding corporate governance and the Bank of Italy's 'Guidelines on the composition and functioning of the board', with a view to planning the succession of senior management in a way that ensures that the knowledge, skills and expertise of the corporate bodies remain appropriate to the Bank's current and future needs, taking into account its strategic objectives and risk profile.

Regulatory expectations call for the orderly management of change, helping to limit the risks of instability arising from any unexpected disruptions in the Bank's senior leadership roles. In line with these regulatory requirements and consistent with the operational needs of business continuity, the document prepared was intended to set out the succession planning for both the corporate bodies and the General Management. This plan, whose timeframe coincided with that of the strategic plan (2025–2029), was a fundamental element of governance, as it aimed to (i) ensure the long-term continuity and sustainability of the institution, mitigating the risks associated with any unforeseeable changes in its composition; (ii) ensure that the Bank's wealth of knowledge, governance experience and historical memory of the issues, initiatives and courses of action undertaken by the Bank are preserved.

The succession plan, drawn up on the basis of a careful analysis of the context both within and outside the Bank, therefore set itself the strategic objective of guaranteeing the Bank's operational continuity and capital soundness, whilst at the same time ensuring an appropriate level of renewal and diversification of skills within the corporate bodies. This approach was designed to strengthen the Bank's ability to tackle the challenges posed by developments in the financial market and to respond proactively to the new needs of its *stakeholders*.

These considerations were superseded by supervisory measures which led to the updating and preparation of a new 2026–2028 Business Plan, which is discussed in greater detail in the section '**2026–2028 Business Plan**' below.

Ente Cambiano's Appeal – Judgment of the Court of Cassation

By Judgment No. 30379/2025 of the Court of Cassation, published on 18 November 2025, the appeal lodged by Ente Cambiano was dismissed, thereby denying the organisation's right to reimbursement of the amount paid during the 'way-out' process, pursuant to Article 2, paragraph 3-bis, of Decree-Law No. 18/2016

The Court of Cassation's decision is based on Ruling No. 149/2021 of the Constitutional Court, which, ruling incidentally during the cassation proceedings, had denied that the levy in question constituted a tax and, consequently, dismissed the constitutional challenges raised in relation to Articles 3 and 53 of the Constitution. In the words of the Constitutional Court, the case in question did not, in fact, concern a 'tax', but rather the *'price to be paid for availing oneself of the opportunity offered by the legal system to opt out of a cooperative banking group without thereby having to transfer one's assets to mutual funds . . .'*

It is noted that the Revenue Agency had established a specific 'tax code' (No 1200) and that payment of this 'amount' was made using form F24.

On this basis, the Court of Cassation considers that EU Directive No 2008/7, concerning '*indirect taxes on the raising of capital*', is not applicable to the present case; the conflict between that Directive and the national legislation establishing the levy was at the heart of the organisation's appeal. Nevertheless, initially, the Court of Cassation itself, by Order No 29634/2022 – issued after the Constitutional Court's ruling – had decided to stay proceedings in order to request the Court of Justice of the European Union to rule, by way of a preliminary ruling, on the compatibility of the relevant national legislation with the Directive in question.

This referral (ordered, it should be reiterated, after the Constitutional Court's ruling) was based on the implicit – yet very clear – assumption that the Constitutional Court's domestic ruling denying the tax nature of the levy did not preclude the application of the Directive, given the autonomy of the concept of 'tax' under European law compared to that transposed at national level.

Thus, the recent decision of the Court of Cassation inexplicably contradicts the position taken in the previous order: now, the fact that the Constitutional Court ruled out classifying the payment made in the context of a 'way-out' as a tax is deemed, in itself, to preclude the application of EU Directive 2008/7, which had previously been deemed applicable despite the position taken by the Constitutional Court.

And this decision is all the more surprising and difficult to accept from the appellant's point of view, bearing in mind that the European Court of Justice itself, in ruling *the question raised by the Court of Cassation* 'inadmissible', the question raised by the Court of Cassation, had openly urged the submission of a new request for a preliminary ruling, complaining that the order for reference had not provided it with all the necessary elements to rule and specifying, in any

case, that the classification of the payment as a 'tax' should be made *'within the meaning of the Directive'*, that is to say, irrespective of the classification recognised under domestic law.

This therefore brings to a close a legal dispute which, for almost a decade, has involved the Cambiano Authority, which has suffered a significant reduction in its assets – a situation which has nevertheless been addressed – essentially resulting from a mere change in the company's corporate purpose.

Sale of Cabel Industry

The sale of the Bank's stake in Cabel Industry in September marked the end of the Bank's forty-year involvement in the IT company, which it had helped to found back in 1985, together with two other Tuscan cooperative credit banks.

Developments in recent years had led to a significant drain on financial and managerial resources, prompting the decision to sell the stake, partly to avoid the uncertainties associated with the prospects of joining the Fibonacci Group, the benefits of which for the Bank would not have been easy to quantify.

The transaction had an overall positive impact on consolidated profit of €1.5 million.

The disposal brings to an end the relationship with Cabel Industry as an associated company, leaving only the 'customer/supplier' commercial relationship. This was the objective the Bank had intended to pursue from the outset of the numerous developments at Cabel Industry, which saw the Bank acquire equity stakes from partner banks that had, over time, left the Group, due both to market and regulatory changes and – by no means marginally – to management issues that had persisted over the years. The purpose of these acquisitions was to sell them on to third-party banks expected to share an interest in the Cabel Group's business and philosophy. The aim was to safeguard the investments made – primarily by the Bank – in the face of the corporate disintegration looming within the Cabel Group as a result of organisational changes linked to changes in senior management roles, and finally due to changes in the structure of the banking system arising from mergers, disposals and the emergence of operators outside the system. The arguments regarding the increased level of shareholding in Cabel Industry – both direct and indirect via Cabel Holding, now C.H. – were extensively discussed in numerous exchanges with the Supervisory Body.

Renewal of the IT outsourcing contract with Cabel Industry

In September, the IT Outsourcing Contract with Cabel Industry was renewed for a total term of 8 years, commencing on 1 January 2025 and expiring on 31 December 2032 (plus a 1-year tacit renewal).

The Outsourcing Agreement sets out the formulas and criteria for determining the fee for each service. Discounts have been agreed on the 2025 and 2026 instalments, compared with 31 December 2024, totalling €2.6 million including VAT. Reduced penalties have also been provided for in the event of termination of the contract by the Bank during the final three years. Furthermore, the Bank has the right to terminate the contract if Cabel Industry's turnover derived from the Bank and relating to 2030 constitutes more than 20 per cent of Cabel Industry's total turnover; from 1 January 2031, the Bank shall have the right to terminate the contract with notice reduced to 90 days, subject to payment of the fees due until the end of the outbound migration period, effectively without penalty.

Cabel Industry undertakes to provide the services in accordance with the service levels agreed with the Bank on the basis of the KPIs set out in the Outsourcing Agreement. In particular, the main SLAs cover the following service lines: (i) IT outsourcing environment; (ii) complementary services on an activation and/or pay-as-you-go basis; (iii) printing and mailing; (iv) BPO – business process outsourcing; (v) hardware technical support; (vi) digital document storage; and (vii) reporting of derivatives transactions to ESMA.

Cambio Cultural Centre

In 2025, the Bank continued to support the activities of Cambio Centro Culturale during its second year of operation. This initiative represents the Bank's main commitment to supporting its home region, which it is implementing in collaboration with the Teatro del Popolo.

SREP 2025

On 20 February 2025, the Supervisory Authority issued the Provision containing the 'new' capital decision, effective from the Supervisory Reports relating to 31 March 2025. The Bank's multi-year planning has already been set out in the 2025–2029 business plan.

The new requirements set out by the Bank of Italy for the prudential consolidation, which includes Ente Cambiano, are:

- Common Equity Tier 1 (CET1) ratio: 10.05 per cent, comprising an OCR CET1 ratio of 8.30 per cent and a Target Component (Pillar 2 Guidance, P2G), to cover increased risk exposure under stress conditions, amounting to 1.75 per cent;
- Tier 1 capital ratio: 11.95 per cent, comprising an OCR T1 ratio of 10.20 per cent and a Target Component, reflecting higher risk exposure under stress conditions, of 1.75 per cent;
- Total Capital ratio: 14.55 per cent, comprising an OCR TC ratio of 12.80 per cent and a Target Component, reflecting a higher risk exposure under stress conditions of 1.75 per cent.

By letter Ref. No. 2156032/25 dated 5 November 2025, the Supervisory Authority reserved the right to reassess the minimum capital requirements imposed by the capital decision in light of the bank's increased risk profile.

Judgment on the Temporary Cooperative Credit Fund

A judgement dated 29 October 2025 settled the outcome of the appeal proceedings in the case brought by the Temporary Cooperative Credit Fund, in which the plaintiff's appeal was dismissed, thereby upholding the first-instance judge's decision, which was entirely in the Bank's favour.

It should be noted that the Temporary Cooperative Credit Fund was established as part of the 2016 reform of cooperative credit banks, with the aim of providing a mutual insurance mechanism for cooperative credit banks (BCCs) during the transition phase, pending the formation of banking groups. The dispute arises from the allegation that the Bank failed to join the Fund for the period up to the 'way out' on 1 January 2017, since, according to the opposing party's argument, an obligation imposed on all BCCs is inherent in the relevant legislative and regulatory framework (and therefore even in the absence of an express statutory provision), regardless of whether or not they intended to join a cooperative credit group and, consequently, even in the case of opting for the so-called 'way out'. Consequently, the Fund sought an order requiring the Bank to pay the sum of €3,238,010.48. The Court of Appeal upheld the ruling in favour of the Bank. The Fund has lodged an appeal with the Court of Cassation.

2026 Budget Law – Extraordinary levy on the 'extra-profit reserve'

Article 26 of Decree-Law No. 104 of 10 August 2023 – converted, with amendments, by Law No. 136 of 9 October 2023 – had introduced an extraordinary tax for the 2023 financial year commensurate with the increase in banks' net interest income between 2021 and 2023 ("extra profits"); however, it also introduced the option, instead of paying the tax, to allocate – upon approval of the 2023 financial statements – an amount not less than 2.5 times the amount of the tax itself to a non-distributable reserve, provided that it complied with the conditions set out in Regulation (EU) No 575/2013 (CRR) for inclusion among the components of Common Equity Tier 1 (CET1) capital.

The Bank, by resolution of the Board of Directors, had confirmed its intention to propose to the Shareholders' Meeting the creation of the aforementioned non-distributable reserve in the amount of €11,947,876 in lieu of payment of the extraordinary tax, a proposal subsequently approved by the Shareholders' Meeting. Had the reserve been used for the distribution of profits, it would have been necessary to pay the tax in full, amounting to 40 per cent of the extra-profit reserve, plus interest.

The 2026 Budget Law has significantly amended the rules governing the extra-profit reserve, providing, with effect from financial years commencing on or after 1 January 2028, for a presumption that the reserve will be distributed in priority in the event of a profit distribution, and introducing a voluntary extraordinary contribution to be paid by 2028. Failing payment of this contribution, the distribution of profits or reserves, with effect from the financial year beginning on 1 January 2029, will result in the application of a tax equal to 40 per cent of the extra-profit reserve.

In light of the new provisions, and given the reasonable expectation that the Bank will proceed with the distribution of profits, the Board of Directors of Banca Cambiano 1884 has decided to pay the extraordinary contribution, totalling €3,286 thousand, representing a saving of €657 thousand compared with the payment due in 2027 and €1,493 thousand compared with the payment due in 2028 or subsequent years, plus interest.

When preparing the financial statements as at 31 December 2025, the aforementioned amount was recognised as a direct reduction in equity reserves.

For further details, please refer to “Part A – Accounting Policies, A.1, Section 5 – Other aspects, Other aspects relevant to the Group’s accounting policies” in the Consolidated Notes to the Financial Statements.

Transposition of the CRD VI Directive

As previously reported in prior financial years, to take account of the specific characteristics of certain banking groups, the amendments to the CRD VI Directive introduce a new paragraph 4a into the regulatory text, pursuant to which the Supervisory Authority, on a consolidated basis, may permit financial holding companies exempt from the requirement to act as a banking group parent company – such as Ente Cambiano in our case – to be excluded from the scope of consolidation of a banking group subject to specific conditions, namely: exclusion from the scope of consolidation is permitted where (i) the effectiveness of supervision of the bank is not compromised, (ii) the financial holding company does not hold exposures to equity instruments other than its exposure to the bank’s equity instruments, and (iii) the financial holding company does not make substantial use of financial leverage. The transposition of the Directive’s provisions into national law, which has not yet been finalised, should enable the application of the new approach to capital reporting to the Cambiano Group, resulting in supervisory data flows that better reflect the Group’s capital structure, and could have an overall positive effect on the composition of regulatory capital.

ESG Rating

During the financial year, the Bank was awarded the “Corporate Standard Ethics Rating (SER)” with a **rating of E+**. The Bank, together with other unlisted banks, has been included in the new SE Unlisted Italian Banks Benchmark.

ESG (Environmental, Social and Governance) Project

Climate and environmental risks have increasingly come to the fore among those that must be effectively managed, primarily by financial intermediaries. The scale of investment aimed at promoting the energy and ecological transition through robust policies to decarbonise production cycles has required, and continues to require, strong involvement from the banking sector, both to raise awareness of the risks associated with them and to ensure that no obstacles stand in the way 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 linked 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 ever-better understanding of the context in which it operates, for a more informed and considered approach to risk-taking, and for a more effective response to the needs of customers and communities.

Partly in view of the growing attention from regulatory authorities and public opinion, the Group is progressively incorporating the assessment of risks linked to climate change and environmental, social and governance issues into the formulation and implementation of its credit, financial and investment policies, as well as into the services it offers to customers, through the analysis of exposure to sectors, markets and counterparties, understanding the potential short- and long-term impacts, and identifying and integrating these factors into risk management practices.

As part of the work carried out on issues related to ESG factors, a dedicated body (the Sustainability Committee) is overseeing the execution and monitoring of adaptation programmes, in line with the Group’s strategic guidelines on ‘sustainability’.

The Action Plan, finalised in May 2023, sets out the full range of activities planned for the development and implementation of a series of organisational, procedural and methodological solutions through which to achieve, over a multi-year timeframe, full alignment with the Supervisory Authority’s non-binding guidelines.

Below is a summary of the main activities carried out by the Bank in particular in 2024, categorised according to the following areas covered by the Supervisory Authority’s thematic analysis.

A) Corporate context and strategy: the Bank has established, within its organisational structure, a management committee – the Sustainability Committee – chaired by a director tasked with 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 the exercise of its strategic oversight functions regarding sustainability (ESG) issues. With regard to internal policies, the Group's policy on ESG issues and its finance policies (proprietary portfolio and client portfolio) have been updated. Furthermore, the basic principles of the credit policies have also been revised; in line with European 'sustainable finance' regulations and market trends, these define the guidelines for granting credit that takes ESG factors into account. From a strategic perspective, the Bank has incorporated specific sustainable credit products into its Strategic Plan and product range, aimed at assisting private individuals, professionals and businesses wishing to invest in reducing their 'carbon footprint' through, for example, the installation of renewable energy systems, the purchase of eco-friendly vehicles or the improvement of energy efficiency in their homes or workplaces.

In April 2023, the Bank issued its first Senior Green Bond for an amount of 25 million euros. The Green Bond issue is governed by a Framework aligned with the Green Bond Principles. An annual impact report (Green Bond Report) is published; this document provides an in-depth overview of the characteristics of the loans comprising the loan portfolio to which the proceeds of the Green Bond have been allocated, details its impact in terms of reducing the carbon footprint, and examines certain particularly exemplary projects.

B) Corporate governance, risk appetite, reporting and data governance: significant changes were made during the last financial year to the *risk appetite framework*. Existing qualitative ESG objectives have been integrated to serve as a guide for promoting further and new ESG risk assessments, designed to inform strategic decisions with a view to mitigating the impact of these factors on exposures to credit, investment, strategic, reputational and legal risks. From the perspective of data management infrastructure and processes, the pool of data on sustainability risks has been further expanded through the use of specialist *data providers*, laying the architectural foundations to ensure that information systems increasingly meet the need to systematically collect, process and aggregate the data required for assessing exposure to ESG risks, acquiring information in an organised manner via data exchange channels and storing it in dedicated ICT environments accessible to multiple processes and users. The *data dictionary*, which compiles all information requirements relating to the integration of ESG considerations into business processes, has been finalised to enable any user to understand the source and level of detail of the available data. With regard to internal *reporting*, the bank has established a system for periodic reporting on the evolution of ESG risk, which now forms part of the reporting system to senior management on the bank's overall risk profile. Through this system, the board of directors is regularly informed about the status of ESG risks – and, in particular, those of a climate and environmental nature – which characterise the bank's exposures and counterparties, through the measurement of metrics and the conduct of quantitative analyses of the impact of these specific risk factors. With regard to sustainability reporting, the Bank has launched a project to comply with the requirements of the CSRD Directive, which represents the evolution of the Non-Financial Reporting Directive (NFRD), taking into account the latest developments in 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 is committed to systematically integrating sustainability risks into its corporate *risk management* system, given that these risks – with particular attention to climate 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, including in forward-looking terms, is being refined day by day, increasingly incorporating ESG factors into the assessment and monitoring of exposure to various risks, through the analysis of the nature and level of materiality of the sustainability risks to which the bank and its portfolios are most vulnerable. In addition to, and as a further development of, the previous tools for mapping and classifying ESG risk at sector level (*the so-called 'ESG Heat Map'*), an internal methodology has been developed to construct summary *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 enable the prospective estimation of potential financial impacts associated with credit counterparties' exposure, initially to transition and physical risks and, subsequently, to overall ESG risks. The management of ESG risks associated with credit risk exposure portfolios 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 held in the portfolio), which help to ensure 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, based on the findings of the materiality analyses carried out, will be incorporated into the forthcoming assessments of capital adequacy

(ICAAP) and liquidity (ILAAP) assessment processes through dedicated impact quantifications (e.g. on traditional risk parameters of the credit portfolio and collateral) based on the application of forward-looking climate transition scenarios and/or assumptions regarding the severity of the effects of relevant physical risks.

The framework for measuring, controlling and monitoring risks linked to climate and environmental, social and *governance* factors, and the related activities to integrate these into strategic processes and risk management systems, will be progressively completed and refined in line with the adaptation measures still planned, aimed at:

- (i) the refinement of processes and assessments of the materiality of climate and environmental risks in relation to their potential occurrence within traditional risk categories;
- (ii) greater integration of climate change and environmental objectives into the company's business model through the establishment of performance indicators and targets;
- (iii) enriching risk appetite parameters, metrics and *scenario-based* analyses for quantifying the impacts of climate and environmental factors;
- (iv) refining assessment techniques and tools, and developing technical and architectural solutions for the collection and management of ESG data;
- (v) ever-greater integration of climate and environmental assessments into credit policies and procedures (processes for granting new loans, monitoring sectoral and geographical concentration levels within the loan portfolio, assessing collateral securing loans, mitigating borrowers' climate and environmental risks, etc.), as well as the development of supporting IT, infrastructure and *data management* solutions.

D) Credit risk: supervisory guidelines require an increasingly decisive approach to integrating ESG risks – and in particular risk factors related to environmental and climate aspects – into credit processes and the associated risk measures. The Bank employs quantitative ESG *scoring* systems as part of its creditworthiness assessment. The model for calculating the new *score* is based on a combination of data obtained primarily through external companies specialising in the provision of financial and sustainability information; to this end, the Bank has established partnerships with qualified ESG data providers to gather all the necessary information (specific data and/or appropriate *proxies* or estimates where reliable specific data is lacking). The methodology developed also provides for the possibility of establishing a more accurate *score* by administering specific questionnaires to counterparties – both when granting new credit and on other potential occasions of contact with them – in order to gather supplementary or more up-to-date ESG information than that provided by external *providers*. The *scoring* of individual counterparties will be progressively integrated into decision-making processes, leading to a redefinition of the *escalation* procedures for authorised bodies/entities, their delegated powers, and the *lending pricing* models to be applied to credit transactions with businesses.

Finally, it should be noted that on 9 August 2025, Law No. 118 of 8 August 2025 was published in the Official Gazette, converting Decree-Law No. 95/2025 (the "Decree-Law"), which implemented EU Directive 2025/794, providing for a two-year deferral of the sustainability reporting obligations introduced by Legislative Decree 125/2025.

Specifically, the Decree-Law amends Legislative Decree No. 125/2024, and in particular Article 17, postponing the application of these provisions by two years for certain categories of undertakings subject to the legislation. As a result of these amendments, the obligations to prepare sustainability reports in accordance with the European Sustainability Reporting Standards (ESRS) will take effect from:

- financial years beginning on 1 January 2027 (rather than 1 January 2025) for all large undertakings (other than large EIP companies with more than 500 employees) and parent companies of a large group (other than large EIP parent companies with more than 500 employees on a consolidated basis);
- financial years beginning on 1 January 2028 (rather than 1 January 2026) for listed SMEs, with the exception of micro-enterprises, for small and non-complex credit institutions (provided they are large undertakings) and for captive insurance companies (provided they are large undertakings or listed SMEs).

That said, as the Group does not exceed the size thresholds set out in the relevant legislation, it is not required to report sustainability information for the financial year covered by these financial statements.

Commercial policy

In terms of commercial policy, throughout 2025 the focus remained on the needs of households and businesses, particularly small and medium-sized enterprises.

The Bank prioritises the needs of the local area in which it operates: to this end, it has implemented policies aimed at strengthening the synergies built up over the years with local institutions and associations to support economic and social development.

Furthermore, the Bank has always been distinguished by the level of satisfaction, trust and loyalty of its customers: the Bank has invested heavily in these values, including through the acquisition and forthcoming implementation of a CRM tool, which will enable it to optimise communication with customers, improve service efficiency and, consequently, increase the attention paid to customers themselves.

In 2025, the Group reaffirmed its focus on private individuals and families through concrete initiatives and actions aimed at creating and consolidating long-term values of trust and sustainable growth over time, as well as developing and strengthening the value of its relationship with the local community.

Throughout 2025, the Bank's communications activities were characterised by various advertising campaigns aimed at strengthening the Bank's positioning, supporting its commercial objectives and promoting an increasingly informed and responsible relationship with customers and the local community.

Among the main initiatives carried out, the awareness campaign on fraud stands out. The aim was to inform customers about the main types of fraud and provide useful guidance on how to recognise and avoid them. The campaign was rolled out via both physical and digital channels: an information campaign was launched on social media, with the help of young bank staff who willingly acted as 'non-professional actors' to portray situations and scenarios in which the bank, through its products and services, could meet customers' needs.

Sponsorship activities focused primarily on supporting sporting, cultural and social initiatives, giving priority to organisations, associations, companies or groups that were already customers and, in all cases, operating within the areas served. These initiatives confirm the Bank's interest in associating its name with activities that bring local communities to life, yielding significant benefits in terms of image and reputation.

In 2025, the short-term interest rate landscape continued the downward trend that had begun the previous year, with the 1-month Euribor (monthly average) falling by approximately 90 bps and the 3-month Euribor (monthly average) by approximately 70 bps. In particular, the 1-month Euribor fell from 2.846 per cent in January to 1.944 per cent in December, whilst the 3-month Euribor fell from 2.751 per cent to 2.081 per cent.

A similar trend was also observed for the ECB rate, which saw a series of cuts in the first half of the year, before stabilising at 2.15% for the entire second half of the financial year.

Long-term rates, by contrast, showed a more volatile trend but ended the year with a significant increase: the 20-year IRS rose from 2.50 per cent in January to 3.25 per cent in December 2025, allowing the long-term yield curve to reposition itself at levels higher than those of the short-term curve.

At Bank level, the average rate on performing loans fell during the year from 4.316% at the start of the financial year to 3.590% at year-end. In the direct funding segment, the average rate fell from 1.777% at the start of the year to 1.248% as at 31 December.

In terms of volumes, performing loans recorded an increase of €29.1 million compared with the end of the previous year (+1.0%), an increase mainly attributable to medium- to long-term loans. In the direct funding segment, current account balances showed a slight decline compared with the end of the previous year (-0.5%), mainly attributable to the corporate segment. A more marked reduction (-2.8%) was seen in term deposits, partly due to market interest rate trends which, having fallen to lower levels, made this product less attractive compared with the terms applied to maturing deposits.

Deposits Segment

In the Funding segment, the key factors characterising the financial year can be summarised as follows:

Managed Assets

The sector has continued to show sustained growth, both in the asset management segment and in the unit-linked funds segment.

In particular, in the Asset Management segment, the annual target was met and exceeded, even after taking into account divestments made; this result was achieved partly thanks to the appointment of a specialist adviser. A similar positive trend was recorded in the Mutual Funds sector, which met its budget target and recorded a 41% increase in subscriptions compared with the previous financial year.

Insurance Premiums

Overall, the sector maintained positive results, with a 6% increase in new business premiums, in line with the development plan, albeit with varying trends across the different product types.

Class I business significantly exceeded its targets, whilst multi-class policies showed a substantial increase compared with the previous year (+86%), in line with the plan's expectations. The Protection segment also recorded significant growth (+35% compared with 2024), exceeding its targets. In the Non-life segment (home, family, health), a 65% year-on-year increase was observed.

Restricted direct business

Direct deposit products placed by the Bank (primarily Time Deposits) recorded a slight decline compared with the previous financial year (-2.8%). This trend is attributable in part to policies aimed at containing funding costs and, in part, to the trend in market rates, which led to a gradual reduction in the rates applied during the year. The segment was also affected by competition from government bonds, which absorbed a portion of customers' deposits.

Online Branch

Overall, the online branch maintained its direct funding volumes, recording a 3.4% increase compared with the end of 2024, despite the downward revision of the rates applied to fixed-term deposits implemented during the year, including via this channel. Within direct deposits, however, whilst fixed-term deposits grew, there was a decline in current account balances (-4.7%).

The strategic assessment of the Web Branch remains unchanged, with a view to expanding the offering to new, technologically savvy customers, with a specific focus on younger age groups, regardless of geographical location.

Lending Segment

During 2025, the Lending segment recorded an overall positive performance, showing growth in performing loans compared with the previous financial year, albeit to a modest extent (+€29.1 million). The segment's performance was characterised by the following main factors:

Medium- to long-term loans

Against a backdrop of a slight increase in current account overdrafts, the most significant component of growth was attributable to medium- to long-term loans, in both the retail and corporate segments.

In particular, during the first half of the year, the Bank revised its range of mortgage products for retail customers, with the aim of achieving a more competitive market position in line with the Bank's strategic priorities. This initiative, combined with favourable market conditions, provided fresh impetus to the sector and enabled lending volumes to be realigned, in the second half of the year, to the Bank's historical average levels.

Corporate Segment

In line with market trends, growth in lending also extended to the corporate sector. In this context, the Bank further consolidated and developed its commercial management of existing agreements with guarantee consortia, relating to various credit facilities, which proved to be a key enabler of growth.

Consumer credit and agreements with partners

The volume of consumer credit transactions and salary-backed loans arranged through third-party partners remained broadly stable compared with the previous year.

By contrast, TFS advance transactions placed through the agent network showed growth (+24.9 per cent), partly due to the signing of a further brokerage agreement, which strengthened distribution capacity for this product.

Green finance and sustainability

In the consumer credit sector, 2025 saw the full roll-out of the agreement with Lenergy S.p.A., through which the Bank arranges unsecured loans for the installation of photovoltaic systems, backed by a specific guarantee from the EIF. During the financial year, the initiative generated total disbursements of €4.1 million, strengthening the Bank's positioning on the issues of energy transition and sustainable finance.

Electronic Payments Segment

The electronic payments segment recorded an overall positive performance. In particular, internet banking services showed significant growth in the number of active users, with results exceeding the set targets.

In the issuing segment, consumer debit cards showed a strongly positive net change, exceeding the targets set out in the development plan. Currently, these instruments represent the main payment solution linked to newly opened current accounts, partly because the range of services and added value they offer (including loyalty schemes) is now essentially on a par with that of credit cards, which, by contrast, are seeing a slowdown in new issuances.

The acquiring segment, whilst operating in a particularly aggressive competitive environment, recorded an increase in the number of active POS terminals, albeit at levels below the targets set out in the plan.

Cambiano Leasing

With regard to the subsidiary Cambiano Leasing, given the market context, the company recorded particularly significant growth, with total new contracts in 2025 amounting to €104 million, up from €75 million in the previous financial year. Operational performance was also positive, with an increase in the number of contracts signed, rising from 729 in 2024 to 879 in 2025.

	2025		2024		% Change	
	No. of Contracts	Euro/1,000	No. of contracts	Euro/1000	No. of contracts	Value
Registered	637	52,860	513	42,845	24%	23%
Instrumental	212	28,264	164	21,136	6%	34%
Property	27	16,430	20	8,838	35%	120%
Naval Aviation	3	3,634	2	1,850	50%	66 per cent
Totals	87G	104,218	72G	74.66G	21%	40%

Taking into account the volume of new business granted in 2025 and repayments linked to the amortisation of the outstanding stock, the total loan portfolio – referring solely to the residual principal of current contracts and net of non-performing loans – stands at 283.2 million euros, a slight increase compared with the figure at the end of 2024 (€279.9 million).

Leasing type	2025	%	2024	%
Property	103.68	37	106.66	38
Operating	75.25	26	86.02	31
Registered	65.13	34	76.86	26
Naval Aviation	6.20	3	7.04	2
Total	283.26	100	27G,G1	100

Financial intermediation, treasury and investment activities

Throughout 2025, international financial markets operated in an environment characterised by a gradual easing of inflationary pressures and a gradual normalisation of monetary policies in the major advanced economies. Following the tightening cycle initiated in previous years to combat high inflation, during the year the major central banks progressively shifted their focus

towards less restrictive monetary policies, helping to stabilise financial conditions and support the performance of the main markets.

In the euro area bond market, government bond yields remained broadly stable. During the financial year, the average yield on the 10-year German Bund stood at 2.638 per cent, whilst the average yield on the 10-year Italian BTP was 3.566 per cent, with an average spread between the two securities of around 93 basis points. Global equity markets performed well overall: the World Index, expressed in euros, closed the financial year with a return of +7.26 per cent, driven in particular by the contribution of the technology sectors and the growth prospects linked to digitalisation and the adoption of artificial intelligence. During the year, there was also a significant rise in the value of precious commodities; gold recorded a return of +122.93 per cent expressed in euros, reflecting demand from central banks and institutional investors, as well as the asset's role as a portfolio diversification tool.

Against this backdrop, the management of the Bank's Finance Division focused on maintaining a balance between profitability and risk mitigation, in accordance with the operational limits set out in the Risk Appetite Framework and internal policies.

As at 31 December 2025, the total value of the securities portfolio stood at €846,721,111.03, down from €924,453,748.60 recorded as at 31 December 2024, representing a decrease of €77.7 million (-8.4%). This reduction is primarily attributable to the management of the natural maturities of the securities and to the allocation decisions made during the financial year in line with liquidity management requirements and financial management guidelines.

The portfolio's composition is predominantly focused on fixed-income instruments, which account for approximately 80% of the total allocation, with the bond asset class accounting for 99% of the portfolio. The equity component is marginal, at 0.86%. The portfolio's overall duration stands at 3.46, whilst the average rating is A-, confirming the prudent approach of the Bank's investment policy.

The main component of the portfolio is the Held to Collect (HTC) segment, which accounts for approximately 78.99% of financial assets. The duration of the HTC portfolio is 4.03, whilst the yield to maturity is 2.48%. The portfolio consists of 78.16% fixed-rate securities and 21.84% variable-rate securities, with a predominant exposure to Italian government bonds (96.14%) and a residual share of German government bonds (3.86%).

The Held to Collect and Sell (HTCS) segment accounts for approximately 9.63% of the financial portfolio, down on the levels recorded at the end of the previous financial year.

During the financial year, the management of the overall securities portfolio (banking book and trading book) generated positive financial results. Interest accrued on the portfolio amounted to €16.26 million, whilst gains from management and trading activities reached €9.69 million, resulting in a total contribution to the profit and loss account of €25.96 million.

The overall performance of the portfolio, calculated at fair value, stood at 3.60% year-to-date, exceeding the benchmark of 2.73%, highlighting the effectiveness of the allocation and management decisions adopted during the financial year.

Alongside the strategic management of the securities portfolio, the Bank also continued its trading and brokerage activities on the financial markets, primarily in eurozone government bonds. The trading book generated a total return of approximately €7.4 million, of which €2.2 million stemmed from brokerage activities. During the financial year, 6,975 transactions were carried out, with a total value of approximately €33.1 billion. Adopting a prudent approach and in view of the approaching end of the financial year, the trading portfolio was gradually reduced until it was completely wound down.

The treasury function continued to play a central role in managing the Bank's liquidity and optimising the cost of funding. The function focuses on monitoring cash flows, managing interbank market transactions and utilising refinancing facilities with the European Central Bank, in compliance with the regulatory requirements set out in prudential legislation, including the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

The management of financial assets was conducted in accordance with the operational limits defined by the Risk Appetite Framework and was monitored using specific market risk indicators. As at the reporting date, Value at Risk (VaR), calculated over a 10-day horizon with a 99% confidence level, stood at €5.2 million, equivalent to 0.65% of the total value of the portfolio, a figure well below the maximum permitted limit of 4.50%. The interest rate sensitivity indicator, Basis Point Value (BPV),

shows that a parallel shift in the yield curve of 100 basis points would result in an estimated negative change of approximately €25.9 million in the value of the portfolio, a figure consistent with the overall duration and the predominantly bond-based composition of the investments. Overall, the portfolio's risk profile has been assessed as consistent with the approved operational limits and with the prudent management approach.

Looking ahead to 2026, the financial environment is expected to continue to be characterised by gradually normalising monetary conditions and moderate economic growth, albeit with potential sources of volatility linked to developments in the international geopolitical landscape and the monetary policy decisions of the major central banks. Against this backdrop, the Bank intends to continue the prudent management of its financial activities, maintaining high asset quality, careful liquidity management and constant monitoring of market risks. In line with the 2026 business plan, a gradual reduction in financial investments is envisaged, to be achieved primarily through a reduction in the securities portfolio, whilst maintaining an adequate degree of operational flexibility in order to capitalise on any market opportunities and contribute to the Bank's overall profitability. At the same time, the Finance Department will continue to develop analytical tools and support for investment decisions based on quantitative models and advanced technologies, including data analytics systems and artificial intelligence applications, with the aim of further improving the processes for selecting financial instruments and managing portfolios.

Analysis of balance sheet items

Set out below, in thousands of euros, are the main balance sheet and profit and loss account items as at 31 December 2025, compared with the comparative figures shown.

To ensure greater clarity in the presentation of the results for the financial year, the financial statements required by Bank of Italy Circular 262/2005 have been presented in a reclassified format ⁽¹⁾. In particular:

- demand deposits with banking counterparties (included in item 10 "Cash and cash equivalents") have been reclassified to the item "Loans and advances a) receivables from banks";
- debt securities measured at amortised cost (included under item 40 "Financial assets measured at amortised cost") have been reclassified under the item "Financial assets";
- loans that must be measured at fair value (included under item 20(c) "Financial assets measured at fair value through profit or loss – other assets that must be measured at fair value") have been reclassified under the item "Loans";
- receivables relating to "Tax bonuses", included under item 120 "Other assets", have been reclassified to the items "Financial assets held for trading" and "Loans d) Other assets" on the basis of the business model adopted for their management;
- payables to institutional counterparties (included under item 10 "Financial liabilities measured at amortised cost b) payables to customers") have been reclassified under the item "Payables to banks and institutional counterparties b) payables to institutional counterparties";
- the item "Other liabilities" includes items 60 "Tax liabilities" and 80 "Other liabilities";
- the item "Provisions" includes items 90 "Employee severance pay" and 100 "Provisions for risks and charges".

Reclassified Balance Sheet

(figures in thousands)

Asset items	31/12/2025	31/12/2024	Changes Amounts	Changes %
Cash	14,819	15,246	-427	-2.80%
Financial assets	850.2G6	G30.G32	-80,637	-8.66%
a) financial assets held for trading	77,362	98,293	-20,932	-21.30%
b) financial assets designated at fair value	0	0	0	0.00%
c) other financial assets required to be measured at fair value	37,695	39,828	-2,132	-5.35%
d) Financial assets measured at fair value through comprehensive income	82,002	173,188	-91,185	-52.65%

¹ For further details on how the reclassified statements are presented, please refer to the appendix "Reconciliation between the reclassified balance sheet and profit and loss account and the financial statements".

Assets	31/12/2025	31/12/2024	Changes Amounts	Changes %
e) Financial assets measured at amortised cost	653,236	619,623	33,613	5.42%
- Banks	0	2,737	-2,737	-100.00%
- Customers	653,236	616,886	36,350	5.89%
Loans	3,256,560	3,310,322	-50,762	-1.53%
a) loans to banks	198,061	264,342	-66,281	-25.07%
b) loans to customers	2,868,387	2,862,900	5,487	0.19%
c) Loans required to be measured at fair value	116,794	98,354	18,440	18.75%
d) Other assets	76,318	84,726	-8,408	-9.92%
Equity investments	0	16,375	-16,375	-100.00%
Tangible assets	103,112	92,579	10,532	11.38%
Intangible assets	5,437	5,090	347	6.81%
Tax assets	19,921	15,714	4,207	26.77%
Non-current assets and disposal groups	0	0	0	0.00%
Other assets	69,656	52,165	17,491	33.53%
TOTAL ASSETS	4,322,800	4,438,424	-115,624	-2.61%

Liabilities and equity items	31 December 2025	31 December 2024	Changes Amounts	Changes %
Amounts owed to banks and institutional counterparties	248,041	306,875	-58,834	-19.17%
a) liabilities to banks	214,859	111,102	103,758	93.39%
b) liabilities to institutional counterparties	33,182	195,774	-162,592	-83.05%
Direct deposits	3,645,751	3,726,511	-80,760	-2.17%
a) amounts owed to customers	3,560,191	3,613,729	-53,537	-1.48%
b) securities in issue	85,560	112,782	-27,222	-24.14%
Financial liabilities held for trading	4,340	420	3,919	932.17%
Tax liabilities	4,653	1,104	3,550	321.62%
Liabilities associated with discontinued operations	0	0	0	0.00%
Other liabilities	103,113	100,907	2,207	2.20%
Provisions	9,195	8,400	795	9.46%
TOTAL LIABILITIES	4,015,064	4,147,217	-132,153	-3.21%
Equity	307,706	291,207	16,499	5.67%
Revaluation reserves	557	-1,064	1,622	4.05%
Redeemable shares	0	0	0	0.00%
Equity instruments	40,000	40,000	0	0.00%
Reserves	-8,899	-17,545	8,647	3.42%
Share premium	803	803	0	0.00%
Share capital	252,800	252,800	0	0.00%
Treasury shares (-)	-987	0	-987	0.00%
Equity attributable to minority interests	15,176	1,255	13,921	0.00%
Profit/Loss for the year	8,254	14,958	-6,704	-44.82%
TOTAL LIABILITIES AND EQUITY	4,322,800	4,438,424	-115,624	-2.61%

Financial assets

The item 'Financial assets' includes all financial assets held by the banking group and allocated to the various business lines. As at 31 December 2025, the item was down compared with 31 December 2024, with a decrease of €81 million (-8.66%).

The reduction in this item during the period is mainly attributable to the reduction in government bonds allocated to the HTCS portfolio, with an impact on OCI (-€89.1 million), and in securities held for trading (-€19.3 million), only partially offset by the increase in government bonds measured at amortised cost (+€33.4 million).

FINANCIAL ASSETS				
<i>figures in €/000</i>				
Type of transaction/values	31/12/2025	31/12/2024	Absolute change	% change
Debt securities	761,652	867,857	-106,205	-12.25%
a) Securities held for trading	66,736	86,043	-19,308	-22.44%
b) Securities designated at fair value	0	0	0	0.00%
c) Securities required to be measured at fair value	2,316	3,426	-1,109	-32.38%
d) Securities measured at fair value through other comprehensive income	69,664	158,765	-89,101	-56.12%
e) Securities measured at amortised cost	653,236	619,623	33,613	5.42%

FINANCIAL ASSETS				
<i>figures in €/000</i>				
Type of transaction/amounts	31/12/2025	31/12/2024	Absolute change	% change
- Banks	0	2,737	-2,737	-100.00%
- Customers	653,236	616,886	36,350	5.89%
Equity securities and units in collective investment schemes	54,741	56,416	-1,675	-2.67%
a) Securities held for trading	7,024	5,591	1,433	25.63%
b) Securities designated at fair value	0	0	0	0.00%
c) Securities required to be measured at fair value	35,379	36,402	-1,023	-2.81%
d) Securities measured at fair value through other comprehensive income	12,339	14,423	-2,084	-14.45%
Derivative instruments	484	422	62	14.66%
a) Financial derivatives held for trading	484	422	62	14.69%
b) Financial derivatives held for trading	0	0	0	0.00%
Other assets	3.11G	6,238	-3.11G	-50.00%
a) Other assets held for trading	3,119	6,238	-3,119	-50.00%
Total financial assets	850.2G6	G30.G32	-80,637	-8.66%

Loans – loans to customers

The item 'Loans – Loans and advances to customers' comprises loans measured at amortised cost held with retail customers.

As at 31 December 2025, the Group's loans to customers stood at €2,868 million, essentially unchanged from the figure recorded as at 31 December 2024.

LOANS: B) LOANS TO CUSTOMERS				
<i>€/000</i>				
Type of transaction/amounts	31/12/2025	31/12/2024	Absolute change	Percentage change
Current accounts	434,725	439,455	-4,730	-1.08%
Mortgages	1,770,233	1,697,454	72,779	4.29%
Portfolio	8,251	7,655	597	7.80%
Securitised mortgages	50,051	83,025	-32,974	-39.72%
Self-securitised mortgages	250,083	292,677	-42,594	-14.55%
Leasing	286,691	283,231	3,460	1.22%
Other loans	68,944	52,485	16,459	31.36%
Gross non-performing loans	108,962	93,419	15,543	16.64%
Write-downs on non-performing loans	-69,874	-52,098	-17,776	34.12%
Total write-downs	-63,283	-59,642	-3,642	6.11%
Total net lending to retail customers	2,844,782	2,837,661	7,121	0.25%
Receivables from Pontormo RMBS	7,526	7,959	-433	-5.43%
Loans to Pontormo SME	11,210	10,588	622	5.87%
Receivables from Poste	265	266	0	-0.09%
Receivables from C.C. & G.	4,603	6,427	-1,823	-28.37%
Receivables from C.D.P.	0	0	0	-
Total net economic outflows	23,605	25,23G	-1,634	-6.48%
Total loans to customers	2,868,387	2,862.G00	5,487	0.16%

Credit quality

The tables below set out data relating to loans to customers, broken down by category, showing for each category the gross value, total write-downs, net value and coverage ratio, as well as a series of indicators designed to provide a summary of credit quality for the individual Group companies:

CREDIT QUALITY – FIGURES AS AT 31/12/2025				
	Exposure Gross	Total Total	Net Net	Degree of coverage
CASH LOAN EXPOSURES				
Stage 3 – Loans to customers – Non-performing loans	108,962	69,874	39,088	64.13%
Stage 3 – Loans to customers – UTP	120,637	39,750	80,887	32.95%
Stage 3 – Loans to customers – Past due	21,146	2,342	18,804	11.08%
Total impaired loans	250,745	111.G66	138.77G	44.65%
Stage 2 – Loans to customers	337,516	12,816	324,700	3.80%
Stage 1 – Loans to customers	2,413,283	8,375	2,404,908	0.35%

CREDIT QUALITY – FIGURES AS AT 31/12/2025				
	Exposure gross	Total Total	Net Net	Degree of coverage
Total performing loans	2,750.7GG	21.1G1	2.72G.608	0.77%
Total loans to customers	3,001,544	133,157	2,868,387	4.44%

The Group's impaired loans and advances to customers measured at amortised cost amount to a gross value of €250.75 million, to which specific value adjustments of €111.97 million are associated, resulting in a net value of €138.78 million.

The coverage ratio for impaired loans to customers measured at amortised cost as at 31 December 2025 stands at 44.65%. In particular, the aforementioned impaired loans, classified in accordance with the provisions of International Financial Reporting Standard (IFRS) 9 'Financial Instruments' in the so-called 'stage 3', include non-performing loans with a net value of €39.08 million, with a coverage ratio of 64.13 per cent, and loans in probable default with a net value of €80.89 million, with a coverage ratio of 32.95 per cent.

The Group's non-impaired loans to customers measured at amortised cost amount to a gross value of €2,750.80 million, to which portfolio adjustments of €21.19 million are associated, resulting in a net value of €2,729.61 million, reflecting a coverage ratio of 0.77%. Among these, loans to customers classified as non-impaired but at higher risk are essentially categorised in the so-called 'second stage', amounting to €337.52 million gross, with a coverage ratio of 3.80%.

CREDIT QUALITY INDICATORS*			
	Banca Cambiano	Cambiano Leasing	Group
	31/12/2025	31/12/2025	31/12/2025
% OF NET LOANS			
% of net non-performing loans as a proportion of total net loans	1.17%	2.06%	1.36%
% of net probable defaults as a proportion of total net loans	2.53%	3.19%	2.82%
% of net past due loans as a proportion of total net loans	0.46%	1.98%	0.66%
% Total net impaired loans as a percentage of total net loans	4.16%	7.23%	4.84%
% OF GROSS LOANS			
% of gross non-performing loans as a proportion of total gross loans	3.43%	2.64%	3.63%
% of gross probable defaults as a proportion of total gross loans	3.70%	3.87%	4.02%
% of gross past-due loans as a proportion of total gross loans	0.51%	2.01%	0.70%
% of total gross impaired loans as a proportion of total gross loans	7.63%	8.52%	8.35%
COVERAGE RATIO			
Coverage ratio for non-performing loans	67.40%	23.44%	64.13%
Coverage ratio for other impaired loans	32.01%	13.75%	29.69%
Coverage ratio for total impaired loans	47.90%	16.76%	44.65
Coverage ratio for performing loans	0.73%	0.44%	0.77%
Texas ratio			61.75%
* The table does not include Immobiliare 1884 and CH Holding as they do not have credit-related components relevant for the purposes of compiling the table.			

Total deposits

The table below shows a breakdown of total deposits from retail customers as at 31 December 2025, compared with the figures for 31 December 2024.

ECONOMIC DEPOSITS				
<i>figures in €/000</i>				
Description	31/12/2025	31/12/2024	Change	% change
Amounts owed to customers	3,560,191	3,613,729	-53,537	-1.48%
Securities in issue	85,560	115,782	-30,222	-26.10%
Total direct deposits	3,645,751	3,729,511	-83,755	-2.25%
Indirect – Managed	1,173,106	1,047,055	126,051	12.04%
Indirect – Funds	157,632	129,354	28,277	21.86%
Indirect – GPM (1)	170,453	124,700	45,753	36.69%
Indirect – Insurance sector	398,286	385,219	13,067	3.39%
Indirect premiums	1,8GG,477	1,686,328	213,148	12.64%

ECONOMIC INCOME				
<i>figures in €/000</i>				
Description	31/12/2025	31/12/2024	Change	% change
Total deposits	5,545,228	5,415,83G	12G.38G	2.3G%

Type of transactions/values	31/12/2025	31/12/2024	Change	Percentage change
1. Current accounts	2,685,860	2,715,477	-29,617	-1.09%
2. Deposits	29,876	40,605	-10,729	-26.42%
3. Time deposits	820,135	841,947	-21,811	-2.59%
4. Liabilities arising from assets disposed of	0	0	0	0.00%
5. P.C.T. with retail customers	8,056	0	8,056	-
6. Certificates of deposit	0	0	0	0.00%
7. Bonds	85,560	115,782	-30,222	-26.10%
8. Lease liabilities	14,370	13,963	407	2.91%
9. Other Liabilities	1,895	1,737	158	9.07%
Total Direct Deposits	3,645,751	3,72G,511	-83,75G	-2.25%

(1) The GPM figure does not include cash held in suspense current accounts awaiting investment, amounting to €23.3 million as at 31 December 2025, an increase compared with the figure recorded as at 31 December 2024 of €4.1 million. Taking liquidity into account, GPMs stood at €193.7 million as at 31 December 2025, an increase of €64.9 million (+50.43 per cent) compared with the figure recorded as at 31 December 2024.

Total assets under management (direct, administered, managed and insurance) stood at € 5,545 million, up from the figure as at 31 December 2024 by €129 million (+2.39%), mainly attributable to the Parent Company.

In particular, the item 'Amounts due to customers' fell by €83.8 million (-2.25%) during the period, due to a decrease in time deposits (-26.10 million) and current accounts (-29.6 million), whilst the item 'Securities in issue' fell by €30.2 million (-32.84%) due to the redemption of bonds maturing during the reporting period.

Indirect deposits, on the other hand, recorded an increase of €213.1 million (+12.64%) during the period, attributable to growth in the various components.

Funds raised from financial institutions

The table below provides a breakdown of total funding from banks and institutional counterparties as at 31 December 2025, compared with the figures for 31 December 2024.

FINANCIAL DEPOSITS				
<i>figures in €/000</i>				
Description	31/12/2025	31/12/2024	Change	% change
Amounts owed to banks	214,859	111,102	103,758	93.39%
Liabilities to institutional counterparties	33,182	195,774	-162,592	-83.05%
Total funding	248,041	306,875	-58,834	-1G.17%

Type of transactions/values	31/12/2025	31/12/2024	Change	Percentage change
1. Transactions with the Eurosystem	0	0	0	0.00%
Amounts owed to central banks	0	0	0	0.00%
2. Current accounts	95,058	103,494	-8,436	-8.15%
3. Deposits	8,511	0	8,511	0.00%
4. Gold loans from banks	11,129	7,607	3,522	46.30%
5. Mortgage liabilities	0	0	0	0.00%
6. P.C.T. with banks	100,161	0	100,161	0.00%
Amounts owed to other banks	214.85G	111,102	103,758	G3.3G%
Total liabilities to banks	214.85G	111,102	103,758	G3.3G%
7. Other P.C.T.	0	128,924	-128,924	-100.00%
8. Loans taken out from C.D.P.	0	0	0	0.00%
9. Liabilities arising from assets disposed of	33,182	66,849	-33,668	-50.36%
Total payables to institutional counterparties	33,182	1G5,774	-162.5G2	-83.05%
Total funding	248,041	306,875	-58,834	-1.17%

Funding stood at €248 million as at 31 December 2025, representing a reduction of €58.8 million (-19.17%) compared with 31 December 2024, resulting from a decrease in liabilities owed to institutional counterparties of €162.6 million (-83.05%) as a result of the repayment of the maturing portion of liabilities acquired in connection with the securitisation transaction completed in September 2023, amounting to €33.7 million, and the repayment of reverse repurchase agreements entered into with C.C.G., amounting to €128.9 million. This reduction was partially offset by an increase in liabilities owed to banks totalling €103.8 million (+93.99%), resulting from reverse repurchase agreements entered into with banking counterparties.

Net interbank position

NET INTERBANK POSITION				
LOANS TO BANKS				
<i>figures in €/000</i>				
Type of transaction/amounts	31/12/2025	31/12/2024	Change	% change
1. Current accounts and demand deposits with central banks	57,000	78,000	-21,000	-26.92%
2. Reserve requirement	23,199	28,094	-4,895	-17.42%
Claims on central banks	80.1GG	106.0G4	-25.8G5	-24.41%
3. Current accounts and demand deposits with banks	64,780	38,042	26,738	70.28%
4. Term deposits	53,082	50,098	2,983	5.95%
5. Repurchase agreements	0	70,107	-70,107	-100.00%
6. Other loans	0	0	0	0.00%
Loans to other banks	117,862	158,248	-40,386	-25.52%
Total receivables (A)	1G8,061	264,342	-66,281	-25.07%

LIABILITIES TO BANKS				
<i>figures in €/000</i>				
Type of transaction/amounts	31/12/2025	31/12/2024	Change	% change
1. Transactions with the Eurosystem	0	0		0.00%
Amounts owed to central banks	0	0		0.00%
2. Current accounts	95,058	103,494	-8,436	-8.15%
3. Deposits	8,511	0	8,511	0.00%
4. Gold loans from banks	11,129	7,607	3,522	46.30%
5. Mortgage liabilities	0	0	0	0.00%
6. P.C.T. due to banks	100,161	0	100,161	0.00%
Amounts owed to other banks	214.85G	111,102	103,758	G3.3G%
Total liabilities (B)	214.85G	111,102	103,758	G3.3G%
Net balance of receivables and payables (A) – (B)	-16.7GG	153,240	-170.03G	-110.66%
Balance with central banks	80.1GG	106.0G4	-25.8G5	-24.41%
Interbank balance with other banks	-G6.GG8	47,146	-144,144	-305.74%

The net interbank position as at 31 December 2025 was a negative €16.8 million, representing a reduction of €170 million (-110.96%) compared with the figure recorded as at 31 December 2024. The change during the period is mainly due to the reduction in the net position with banks resulting from the decrease in loans to banks, attributable to the repayment of active repurchase agreements with banks, and from the increase in liabilities to banks as a result of entering into passive repurchase agreements with banks – replacing the repurchase agreements held with institutional counterparties as at 31 December 2024.

Book equity

As at 31 December 2025, book equity stood at €307.7 million, up from the figure of €291.2 million as at 31 December 2024, as shown in the table below.

The change is attributable to the increase in fair value recorded on securities allocated to the HTCS portfolio amounting to €1.7 million, net of tax, and to the increase in reserves of €8.6 million due to the capitalisation of the previous year's profit – net of the dividend distributed – and to the reduction in the reserve set aside pursuant to Decree-Law No. 104 of 10 August 2023, following the decision to avail of the option provided for in the Budget Law to release that reserve by making an extraordinary contribution amounting to 27.50% of the reserve, totalling €3.3 million. The minority interest has increased as a result of the first-time consolidation of the company C.H.

COMPOSITION OF CONSOLIDATED EQUITY				
<i>figures in €/000</i>	31/12/2025	31/12/2024	Change	% Change
Capital	252,800	252,800	0	0.00%
Share premium	803	803	0	0.00%
Equity instruments	40,000	40,000	0	0.00%
Reserves	-8,899	-17,545	8,647	-49.28%
(Treasury shares)	-987	0	-987	0.00%
Revaluation reserves	557	-1,064	1,622	-152.38%
Minority interests	15,176	1,255	13,921	1,108.95%
Total (excluding profit for the period)	2GG,452	276,24G	23,202	8.40%
Profit (Loss) for the period	8,254	14,958	-6,704	-44.82%
Total consolidated equity	307,706	2G1,207	16.4GG	5.67%

Profit

The 2025 financial year closed with a net profit of €8,975 thousand, of which €721 thousand was attributable to minority interests.

The key financial aggregates as at 31 December 2025, compared with the corresponding figures as at 31 December 2024, are set out below in thousands of euros.

The results are presented in a reclassified format in accordance with the accounting formats set out in Bank of Italy Circular 262/2005 and subsequent updates ⁽²⁾. The main reclassifications relate to the following items:

- the item "Commission expense" has been reduced by the commissions recovered from customers and allocated to item 200 "Other operating expenses/income";
- the item "Net result from financial operations" includes items 80, 90, 100 and 110 of the accounting format, net of the profit and loss components relating to the disposal of loans reclassified under the item "Net value adjustments on loans to customers";
- the item "Other net operating income/expenses" has been reduced by recoveries of commissions and expenses, which have been deducted from the relevant cost items, and by expenses for legal defence costs covered by pre-existing provisions;
- the item "Staff costs" has been reduced by the recoveries of staff-related expenses allocated to item 200 "Other operating income/expenses";
- the item "Other administrative expenses" has been presented net of the following components:
 - recoveries of indirect taxes and other costs, allocated to item 200 "Other operating income and expenses" in the financial statements;
 - contributions to the SRF, FITD and Life Insurance Guarantee Fund, reclassified under the specific item "Expenses relating to the banking system";

The item, net of the reclassifications set out above, provides a better representation of the trends in the bank's operating costs.

- The item "Impairment losses on tangible and intangible assets" has been reduced by the amortisation of intangible assets recognised following the PPA of the acquired business unit, which has been reclassified to the item "Goodwill impairment / Amortisation of intangible assets (PPA)";
- The item "Net impairment losses on loans to customers" includes items 130(a) and 140 of the financial statements and the gains and losses arising from the disposal of receivables as specified above;
- the item "Net provisions for risks and charges" has been reduced by the costs of legal proceedings covered by provisions set aside in previous financial years, allocated to item 200 "Other operating income and expenses" in the financial statements;

² For further details on how the reclassified statements are presented, please refer to the annex "Reconciliation between the reclassified balance sheet and profit and loss account and the financial statements".

- the item “Expenses relating to the banking system” includes contributions paid to the FITD (Interbank Deposit Protection Fund) and to the Life Insurance Guarantee Fund, reclassified under item 160 b “Other administrative expenses”;

Reclassified income statement

(figures in thousands)

Income Statement Items	31/12/2025	31/12/2024	Changes Amounts	Changes %
Interest income and similar income	143,958	180,234	-36,277	-20.13%
Interest expense and similar charges	-63,163	-95,726	32,563	-34.02%
Net interest income	80,794	84,508	-3,714	-4.39%
Dividends and similar income	909	544	365	67.10%
Net interest income	81,704	85,052	-3.34G	-3.64%
Commission income	37,326	36,142	1,183	3.27%
Commission expense	-6,802	-5,627	-1,175	20.88%
Net commission income	30,523	30,515	8	0.03%
Net financial result	11,865	7,619	4,247	55.74%
Other net operating income/expenses	1,078	-85	1,163	-1,367.26%
Other operating income	43,466	38,04G	5,417	14.24%
Operating income	125,170	123,101	2.06G	1.68%
Staff costs	-37,485	-35,805	-1,680	4.69%
Other administrative expenses	-35,271	-31,980	-3,291	10.29%
Net write-downs/write-backs on tangible and intangible assets	-7,108	-7,292	183	-2.51%
Net result of fair value measurement of tangible and intangible assets	-502	0	-502	0.00%
Operating expenses	-80,366	-75,076	-5.28G	7.05%
Operating profit	44,804	48,025	-3,221	-6.71%
Net impairment losses on loans to customers	-34,362	-27,496	-6,866	24.97%
Net impairment losses on securities and other financial assets	29	284	-255	-89.87%
Net provisions for risks and charges: guarantees and commitments	-393	-291	-102	35.14%
Net credit impairment losses	-34,727	-27,503	-7,223	26.26%
Net provisions for risks and charges: other	-571	1,801	-2,372	-131.72%
Gains (Losses) on equity investments	1,841	442	1,399	316.18%
Gains (Losses) on disposal of investments	895	-234	1,129	-482.75%
Charges relating to the banking system (contributions to the DGS and FITD)	-348	-3,971	3,623	-91.24%
Gross profit from ordinary operations	11.8G5	18,560	-6,665	-35.61%
Income tax for the year on current operations	-2,455	-3,067	612	-19.94%
Net profit from current operations	G.43G	15.4G3	-6,054	-3G.07%
PPA	0	0	0	0.00%
Amortisation of intangible assets recognised in pursuant to IFRS 3 (PPA)	-464	-465	1	-0.27%
Profit (Loss) from discontinued operations, net of tax	0	0	0	0.00%
Profit (Loss) for the year	8.675	15,028	-6,052	-40.27%
Profit (Loss) for the year attributable to minority interests	721	70	651	G31.7G%
Profit (Loss) for the year attributable to the parent company	8,254	14.658	-6,704	-44.82%

Net interest income amounted to €80.8 million, down on the figure as at 31 December 2024.

Within this aggregate, the component relating to retail banking showed a reduction of 15.17% compared with 2024, mainly due to the decline in interest on customer accounts, following the fall in reference rates, which had a greater impact on lending than on deposits. The component relating to wholesale banking also fell, with a decrease of € -2.3 million compared with the figure recorded as at 31 December 2024, due to the reduction in interest income received on liquidity deposited with the Bank of Italy, which was greater than the reduction in interest paid on customer deposits, with particular reference to TLTRO III operations, which were fully repaid during 2024, and to the cost of repurchase agreements entered into with banking counterparties.

There was a significant increase in the portion attributable to securities, due to the rise in interest received on financial assets in the form of securities and the reduction in the cost of bonds issued by the Bank itself.

The portion attributable to other financial assets and liabilities increased as a result of the reduction in interest paid on liabilities issued in respect of assets sold but not derecognised following the repayment of instalments due during the current financial year.

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

INTEREST MARGIN					
	<i>figures in €/000</i>	31/12/2025	31/12/2024	Change	% change
TOTAL	Interest income and similar income	143,958	180,234	-36,277	-20.13%
	Interest expense and similar charges	-63,163	-95,726	32,563	-34.02%
	Total interest margin	80.7G4	84,508	-3,714	-4.3G%
with CUSTOMERS	Interest income and similar income	117,578	148,604	-31,026	-20.88%
	Interest expense and similar charges	-51,160	-70,313	19,153	-27.24%
	Net interest income from customers	66,418	78.2G1	-11,873	-15.17%
with BANKS	Interest income and similar income	4,290	16,029	-11,739	-73.24%
	Interest expense and similar charges	-4,674	-14,180	9,505	-67.04%
	<i>of which: interest on TLTRO III</i>	0	-11.8C0	11.8C0	-100.00%
	Interest margin with the banking system	-384	1,850	-2,234	-120.7G%
on SECURITIES	Interest income and similar income	16,477	10,081	6,396	63.44%
	Interest expense and similar charges	-5,157	-6,782	1,625	-23.97%
	Interest margin on securities	11,321	3.2 days	8,022	243.13%
OTHER	Interest income and similar income	5,613	5,519	93	1.69%
	Interest expense and similar charges	-2,172	-4,451	2,279	-51.20%
	Residual interest margin	3,441	1,068	2,372	222.0G%

Net commission income amounted to €30.5 million, remaining essentially stable compared with the figure recorded as at 31 December 2024. In particular, fees received from collection and payment services have increased, particularly in the electronic payments sector, whilst fees relating to the distribution of third-party services – particularly consumer credit – and fees relating to financial services have fallen; fees from other services remained broadly stable.

NET FEES					
	<i>figures in €/000</i>	31/12/2025	31/12/2024	Change	Change %
TOTAL	Commission income	37,326	36,142	1,183	3.27%
	Commission expense	-6,802	-5,627	-1,175	20.88%
	Total net commission income	30,523	30,515	8	0.03%
from asset management, brokerage and advisory services	Commission income	6,034	5,029	1,005	19.99%
	Commission expense	-3,360	-2,144	-1,216	56.73%
	Net commission income	2,674	2,885	-211	-7.31%
from the distribution of third-party services	Commission income	4,187	4,545	-357	-7.86%
	Commission expense	-166	-182	16	-8.72%
	Net fees	4,021	4,362	-342	-7.83%
from payment services	Commission income	22,426	21,866	561	2.56%
	Commission expense	-1,995	-1,986	-9	0.44%
	Net fees	20,431	1G,880	552	2.78%
from other services	Commission income	4,678	4,703	-25	-0.54%
	<i>of which: financing transactions and guarantees issued</i>	1. C50	1,572	71	4.49%
	Commission expense	-1,281	-1,315	34	-2.57%
	Net fees	3.3G7	3,388	8	0.25%

Operating income as at 31 December 20245 stood at €125 million, an increase of €2.1 million (1.68%) compared with the figure recorded as at 31 December 2024.

OPERATING INCOME				
<i>figures in €/000</i>	31/12/2025	31/12/2024	Change	% change
Net interest income	80.7G4	84,508	-3,714	-4.3G%

OPERATING INCOME				
<i>figures in €/000</i>	31/12/2025	31/12/2024	Change	% change
Dividends and similar income	909	544	365	67.10%
Net interest income	81,704	85,052	-3.34G	-3.64%

Total net commission income	30,523	30,515	8	0.03%

Net financial result	11,865	7,619	4,247	55.74%
Other net operating income/expenses	1,078	-85	1,163	-1,367.26%

Operating income	125,170	123,101	2.06G	1.68%

As can be seen from the table, the trend in operating income is attributable to the increase in net profits from financial instrument brokerage activities by the Finance division, amounting to €4.2 million, and in other net operating income, amounting to €1.2 million; these increases were offset by the reduction in net interest income, as previously detailed.

In particular, the increase in net profits from financial instruments brokerage, totalling €4.2 million, is mainly attributable to the rise in the value of financial assets mandatorily measured at fair value, totalling €6.3 million. This result was partially offset by a reduction in net trading income totalling -€1.9 million, resulting from the reduction in gains realised on the disposal of tax credits acquired from customers (-€2.5 million) and foreign exchange gains (-€1 million), partially offset by the increase in gains realised on securities trading amounting to €1.6 million. Gains on the disposal of securities remained broadly stable, as the increase in gains realised on the disposal of securities measured at amortised cost was offset by the reduction in securities measured at fair value through other comprehensive income (OCI).

NET FINANCIAL RESULT				
<i>figures in €/000</i>	31/12/2025	31/12/2024	Change	% change
NET FINANCIAL RESULT	11,865	7.61G	4,247	55.74%

Net trading profit	7,555	6.4GG	-1.644	-20.47%
a) Currencies	2,463	3,461	-999	-28.85%
b) Financial assets at fair value through profit or loss (trading)	4,680	3,095	1,585	51.21%
c) Other financial assets (tax credits)	412	2,943	-2,531	-85.98%
Net result from hedging activities	0	0	0	-
Valuation gain/loss – Hedging derivatives	0	0	0	-

Gains (losses) on disposal or repurchase of:	2,152	2,260	-108	-4.76%
a) Financial assets measured at fair value through other comprehensive income	498	965	-468	-48.46%
b) Financial assets measured at amortised cost	1,642	1,274	367	28.84%
c) Financial liabilities	13	20	-7	-35.85%

Net profit Financial assets and liabilities measured at fair value with impact on profit or loss	2,158	-4,141	6.2GG	152.11%
Financial assets mandatorily measured at fair value	2,158	-4,141	6,299	152.11%
of which: FIA funds	1,213	-4.52C	C.502	141.C3%
of which: other securities	244	455	-211	-4C.22%

With regard to the item 'Other operating income and expenses', the increase compared with the figure recorded at 31 December 2025 (€1,163 thousand) is almost entirely attributable to the increase in other income. The increase in this item recorded during the financial year is mainly due to the rise in income recognised on finance lease transactions carried out by the subsidiary, as well as income from the company C.H., which has been included in the scope of consolidation from the current financial year.

OTHER OPERATING INCOME AND EXPENSES					
	<i>figures in €/000</i>	31/12/2025	31/12/2024	Change	% change
TOTAL	Other operating income	2,861	1,703	1,159	68.05%
	Other operating expenses	-1,784	-1,788	4	-0.22%
	Other net income	1,078	-85	1,163	-1,367.26%

Other income	Extraordinary income	67	56	11	20.52%
	Other income	2,794	1,647	1,147	69.66%

OTHER OPERATING INCOME AND EXPENSES					
	figures in €/000	31/12/2025	31/12/2024	Change	% change
Other income		2,861	1,703	1.15G	68.05%

Other expenses	Depreciation of third-party assets	-232	-229	-3	1.46%
	Costs relating to legal proceedings not covered by provisions	-42	-7	-35	464.88%
	Extraordinary expenses	-124	-247	123	-49.78%
	Other expenses	-1,385	-1,304	-81	6.23%
	Other expenses	-1,784	-1,788	4	-0.22%

Operating costs as at 31 December 2025 stood at €80.4 million, an increase of €4,787 thousand (7.05 per cent) compared with the figure recorded as at 31 December 2024, as shown in the table below.

OPERATING COSTS					
	figures in €/000	31/12/2025	31/12/2024	Change	% change
Administrative expenses:		-72,756	-67,785	-4,971	7.33%
a) staff costs		-37,485	-35,805	-1,680	4.69%
b) other administrative expenses		-35,271	-31,980	-3,291	10.29%
Net write-downs/write-backs on tangible and intangible assets		-7,108	-7,292	183	-2.51%
Net result of fair value measurement of tangible and intangible assets		-502	0	-502	0.00%
Operating costs		-80,366	-75,076	-4,787	7.05%

In particular, staff costs increased by -€1.7 million as a result of costs associated with the renewal of the sector-wide collective agreement in the second half of 2023 – which led to increases in remuneration over the following two financial years, in accordance with sector-wide agreements – and costs associated with early retirement incentives, whilst other administrative expenses, net of expected recoveries, recorded a net increase of -€3.3 million, attributable mainly to:

- an increase in advertising and entertainment expenses (+0.3 million);
- an increase in charitable donations made during the current financial year (+0.5 million)
- an increase in costs incurred for consultancy and fees paid to professionals (+0.8 million);
- an increase in the portion of taxes not recovered from customers (+0.8 million);

There was a slight reduction in impairment losses on tangible and intangible fixed assets, whilst charges relating to the fair value measurement of tangible assets held by subsidiaries increased.

Profit before tax from ordinary operations decreased compared with the figure recorded at 31 December 2024, standing at €11.9 million, a decrease of -€6.7 million.

This reduction is due to the increase in net impairment losses on loans to customers, which rose by €6.9 million compared with those recorded as at 31 December 2024.

In particular, with regard to the increase in net value adjustments of €7.2 million, the Bank has, since November 2025, made adjustments to the IFRS 9 model, consisting of refinements to the loss estimation processes, with an impact on collectively impaired loans of €0.6 million for performing loans and €1.3 million for impaired loans classified as UTP and PD. Furthermore, again with a view to refining estimation processes, the rules for the classification and valuation of the loan portfolio have been updated for positions classified as ‘probable default’ subject to analytical assessment and for positions classified as ‘non-performing’.

GROSS PROFIT FROM OPERATING ACTIVITIES					
	figures in €/000	31/12/2025	31/12/2024	Change	% change
Operating income		125,170	123,101	2.06G	1.68%
Operating expenses		-80,366	-75,076	-5.28G	7.05%
Operating profit		44,804	48,025	-3,221	-6.71%
Net impairment losses on loans to customers		-34,362	-27,496	-6,866	24.67%
of which: gains/losses on disposal		58	-5C2	C27	-110.14%
of which: net value adjustments		-33,252	-2C.532	-C.713	25.32%
of which: gains/losses arising from contractual amendments		-174	-325	220	-55.73%
Net value adjustments on securities and other financial assets		29	284	-255	-8G.87%
Net provisions for risks and charges: guarantees and commitments		-393	-291	-102	35.14%
Net credit impairment losses		-34,727	-27,503	-7,223	26.26%

GROSS PROFIT FROM CURRENT OPERATIONS				
figures in €/000	31/12/2025	31/12/2024	Change	% change
Net provisions for risks and charges: other	-571	1,801	-2,372	-131.72%
Gains (Losses) on equity investments	1,841	442	1.3GG	316.18%
Gains (Losses) on disposal of investments	895	-234	1.12G	-482.75%
Charges relating to the banking system (contributions to the DGS and FITD funds)	-348	-3,971	3,623	-G1.24%
Gross profit from ordinary operations	11.8G5	18,560	-6,665	-35.61%

Other income components as at 31 December 2025 show an overall increase of €3.8 million due to:

- net provisions to the provisions for risks and charges of -€0.6 million, representing a decrease of €2.4 million compared with the figure reported as at 31 December 2024, due to higher provisions made during the 2025 financial year in respect of ongoing litigation, compared with the reversals of provisions recorded in 2024 following favourable outcomes of legal proceedings against the Group recognised as at 31 December 2024;
- gains on equity investments totalling €1.8 million, mainly due to gains realised on the disposal of the investment held in Cabel Industry S.p.A. amounting to €1.5 million;
- an increase in gains arising from the disposal of property amounting to €1.1 million, partly due to transactions completed during the financial year by the subsidiary Immobiliare 1884 srl;
- a reduction in charges relating to the banking system of €3.6 million. In particular, for the Interbank Deposit Protection Fund (FITD), the contribution period ended in the 2024 financial year following the reaching of the ceiling set by the Fund itself; the Fund's Board determined the amount of the contribution due from the banks for 2025, with the Bank being charged its share of €309 thousand. During 2025, the following was introduced – to be borne by companies and insurance intermediaries
– a contribution to be paid to the Life Insurance Guarantee Fund, amounting to €39 thousand for the current financial year.

GROSS AND NET PROFIT FOR THE YEAR				
figures in €/000	31/12/2025	31/12/2024	Change	% change
Gross profit from ordinary operations	11,895	18,560	-6,665	-35.91%
Income tax for the year on current operations	-2,455	-3,067	612	-19.94%
Net profit from current operations	G.43G	15.4G3	-6,054	-3G.07%

PPA	0	0	0	0.00%
Goodwill impairment / Amortisation of intangible assets	-464	-465	1	-0.27%
Profit (Loss) from discontinued operations, net of tax	0	0	0	0.00%

Profit (Loss) for the year	8.675	15,028	-6,052	-40.27%

Profit (Loss) for the year attributable to minority interests	721	70	651	931.79%

Profit (Loss) for the year attributable to the parent company	8,254	14.658	-6,704	-44.82

The result for the year was adversely affected by the amortisation of the intangible asset recognised in 2023 upon the acquisition of the BCC for WEB business unit, amounting to € -464 thousand, shown under the heading "Impairment of goodwill / Amortisation of intangible assets recognised in accordance with IFRS 3 (PPA)".

Capital adequacy and regulatory ratios

One of the key elements of the Group's strategy is the careful management of balance sheet components, both in terms of their size and their dynamics. The evolution of capital is crucial for supporting responsible growth in scale and represents the main and decisive benchmark for defining development plans. In this regard, since 2019, the Group has formalised and adopted a Capital Management Plan to ensure systematic governance in terms of the constant monitoring of current and prospective capital adequacy levels. The Plan was last updated at the Parent Company's Board of Directors' meeting on 6 March 2026, in conjunction with the adoption of the new 2026–2028 Business Plan. Management generates scheduled reports for senior management, and the matter is subject to systematic monitoring by the Risk Management function, as total own funds are also a key benchmark for prudential supervision.

The following table shows the final consolidated own funds position as at 31 December 2025 (which includes the profit attributable as at 31 December 2025) compared with that as at 31 December 2024:

OWN FUNDS AND CAPITAL ADEQUACY AS AT 31/12/2025				
<i>figures in €/000</i>	31/12/2025	31/12/2024	Differences	% change
Total Common Equity Tier 1 (CET1)	227,556	246,760	-19,100	-7.78%
Total Additional Tier 1 (AT1) capital	38,300	40,000	-1,700	-4.25%
Total Tier 1 (T1) capital	265,856	286,760	-20.604	-7.29%
Total Tier 2 Capital (T2)	49,689	56,649	-6,960	-12.29%
Total Own Funds (T1 + T2)	315,545	343,410	-27,864	-8.11%

REGULATORY CAPITAL REQUIREMENTS				
<i>figures in €/000</i>	31/12/2025	31/12/2024	Differences	% change
Credit and counterparty risk	112,966	116,846	-3,880	-3.32%
Market risk	2,998	3,002	-4	-0.13%
Operational Risk	17,450	20,739	-3,288	-15.86%
Credit valuation adjustment risk	34	11	24	223.64%
Total prudential requirements (8% of risk-weighted assets)	133,448	140.567	-7.146	-5.08%

OWN FUNDS AND CAPITAL ADEQUACY AS AT 31/12/2025				
<i>figures in €/000</i>	31 December 2025	31 December 2024	% change	
Risk-weighted assets (RWA)	1,668,095	1,757,458	-5.08%	
Common Equity Tier 1 capital / Risk-weighted assets (CET1 ratio)	13.64%	14.04%	-0.40%	
Tier 1 capital / Risk-weighted assets (Tier 1 ratio)	15.94%	16.32%	-0.37%	
Own funds / Risk-weighted assets (Total capital ratio)	18.92%	19.54%	-0.62%	

Capital as at 31 December 2025 amounted to €315 million, a decrease of €28 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 (+€1.7 million), offset by the reduction in the effects arising from the application of the transitional regime on gains and losses on sovereign debt securities measured at FVOCI in place during the 2024 financial year (-€2.3 million);
- the reduction in the net profit for the period, net of adjustments (-€6.2 million compared with the previous financial year); the increase in reserves, mainly due to the profit for the 2024 financial year (+€7.2 million);
- the reduction in the eligible capital component (-€18.6 million) and the related reduction in the eligible portion of the AT1 instruments issued in previous financial years (-€1.7 million), carried out following the implementation, during the supervisory review, of the requests made in this regard by the Supervisory Authority;
- the reduction in the eligible portion of the T2 instruments issued in previous financial years (-€7 million) due to the natural amortisation of the instrument.

The following tables show the bond issues included, even if only partially, in own funds:

Table of subordinated bonds

BOND NAME	ISIN	MATURITY_DATE	RATE	AMOUNT
Bond No. 483001 BANCA CAMB 19-21 4% SUB /PRO	IT0005371270	10 June 2029	4.00%	5,000,000
Bond No. 485001 BCA CAMBIANO 19-29 4% SUB /PRO	IT0005385668	25 September 2029	4.00%	2,000,000
Bond No. 488001 BCA CAMB 19-29 STEP SUB /PRO	IT0005391518	5 December 2029	5.25%	1,000,000
Bond No. 501001 CAMB 22-29 5% SUB	IT0005487118	15 March 2029	5.00%	2,000,000

BOND_NAME	ISIN	MATURITY_DATE	RATE	AMOUNT
Bond No. 503001 CAMB 22-30 3% SUB	IT0005495574	16 May 2030	3.02%	3,000,000
Bond No. 504001 CAMB 22-30 3.50% SUB	IT0005498859	29 June 2030	3.54%	3,000,000
Bond No. 505001 CAMB 22-30 5% SUB /PRO	IT0005509135	30/09/2030	5.03%	2,000,000
Bond No. 506001 CAMB 22-30 TV SUB /PRO	IT0005510059	30/09/2030	8.04%	3,000,000
Bond No. 507001 CAMB 22-30 7.50% SUB /PRO	IT0005514960	20 October 2030	7.58%	3,000,000
Bond No. 508001 CAMB 22-30 4% SUB	IT0005516395	28 October 2030	4.04%	700,000
Bond No. 509001 CAMB 22-30 5.50% SUB	IT0005516403	28 October 2030	5.56%	400,000
Bond No. 510001 CAMB 22-30 7% SUB	IT0005523391	7 December 2030	7.08%	2,800,000
Bond No. 511001 CAMB 22-30 7% SUB	IT0005527772	29/12/2030	7.08%	2,200,000
Bond No. 512001 CAMB 22-30 8% SUB /PRO	IT0005527780	29/12/2030	8.09%	5,000,000
Bond No. 513001 CAMB 23-31 7% SUB	IT0005534190	1 March 2031	7.04%	800,000
Bond No. 515001 CAMB 23-31 8% SUB /PRO	IT0005554495	29 June 2031	8.00%	2,000,000
Bond No. 516001 CAMB 23-31 8% SUB	IT0005558751	10 August 2031	8.00%	800,000
Bond No. 517001 CAMB 23-31 7% SUB /PRO	IT0005560534	4 September 2031	7.00%	4,500,000
Bond No. 518001 CAMB 23-31 8% SUB /PRO	IT0005560591	4 September 2031	8.00%	2,000,000
Bond No. 519001 CAMB 23-31 8% SUB /PRO	IT0005561268	20 September 2031	8.00%	500,000
Bond No. 520001 CAMB 23-31 5% SUB /PRO	IT0005561854	26 September 2031	5.00%	8,000,000
TOTAL				53,700,000

AT1 Perpetual Bonds Prospectus

BOND NAME	ISIN	RATE	AMOUNT
Bond No. 490001 BCA CAMB 20-PERP TV SUB /PRO	IT0005427023	7.88%	1,500,000
Bond No. 492001 CAMBIANO PERPETUAL AT1 492 /PRO	IT0005429375	8.02%	1,800,000
Bond No. 494001 CAMBIANO PERPETUAL AT1 494 /PRO	IT0005429755	7.77%	1,000,000
Bond No. 496001 CAMB PERPETUAL AT1 496 /PRO	IT0005431777	8.05%	500,000
Bond No. 497001 CAMBIANO PERPETUAL AT1 497 /PRO	IT0005432130	8.09%	3,500,000
Bond No. 498001 CAMB PERPETUAL AT1 498	IT0005439846	5.00%	5,000,000
Bond No. 499001 CAMBIANO PERPETUAL AT1 499	IT0005454076	5.00%	5,000,000
Bond No. 500001 CAMB PERPETUAL AT1 500	IT0005475055	5.00%	7,000,000
Bond No. 502001 BCA CAMB 22-PERP TV SUB /PRO	IT0005489601	5.00%	3,000,000
Bond No. 521001 CAMB 23-PERP TV SUB /PRO	IT0005566648	7.00%	10,000,000
TOTAL			38,300,000

On 20 February 2025, the Supervisory Authority issued the Provision containing the 'new' capital decision, effective from the Supervisory Reports as at 31 March 2025. The Bank's multi-year planning has already been set out in the 2025–2029 business plan.

The new requirements set out by the Bank of Italy for the prudential consolidation, which includes Ente Cambiano, are:

- Common Equity Tier 1 (CET1) ratio: 10.05 per cent, comprising an OCR CET1 ratio of 8.30 per cent and a Target Component (Pillar 2 Guidance, P2G) of 1.75 per cent, to account for higher risk exposure under stress conditions;
- Tier 1 capital ratio: 11.95 per cent, comprising an OCR T1 ratio of 10.20 per cent and a Target Component, reflecting higher risk exposure under stress conditions, amounting to 1.75 per cent;
- Total Capital ratio: 14.55%, comprising an OCR TC ratio of 12.80% and a Target Component, reflecting higher risk exposure under stress conditions, of 1.75%.

By letter Ref. No. 2156032/25 dated 5 November 2025, the Supervisory Authority reserved the right to reassess the minimum capital requirements imposed by the capital decision in light of the company's increased risk profile.

The capital levels achieved by the Group as at 31 December 2025 already exceed those required.

Equity and Own Funds – Reconciliation statement between Profit for the period and Profit allocated to own funds

The reconciliation statement between the items "profit for the period" and "equity" as shown in the Parent Company's financial statements and the consolidated financial statements, as required by Bank of Italy Circular No. 262, is set out in the following tables:

Breakdown of Group profit	Profit for the period	Profit for the period attributable to minority interests	Share of consolidated companies in equity	Consolidation adjustments	Elimination of dividends	Contribution to the Group's profit
Banca Cambiano 1884 S.p.A.	7,030	0	0	-1,078	0	5,952
Immobiliare 1884 srl	19	0	0	0	0	19
Cambiano Leasing S.p.A.	1,763	-88	0	0	0	1,675
C.H. S.p.A.	1,256	-633	0	-14	0	609
Total	10,068	-721	0	-1.0G2	0	8,254

Composition of Group equity	Equity	Elimination of equity with equity	Equity attributable to minority interests	Adjustment of consolidated equity to equity	Elimination of intra-group transactions	Contribution to the Group's equity
Banca Cambiano 1884 S.p.A.	280,301	-82	1,168	0	-2,304	279,083
Immobiliare 1884 srl	13,553	-13,500	0	0	0	53
Cambiano Leasing S.p.A.	25,107	-18,739	-1,255	0	0	5,112
C.H. S.p.A.	28,509	-14,113	-14,368	0	0	27
Total	347,470	-46,435	-14,455	0	-2,304	284,275

For the purposes of Regulation No. 575/2013 (CRR), the parent company is Ente Cambiano Scpa. The reconciliation statement between the Group's profit and the corresponding profit for the purposes of calculating own funds is set out below:

RECONCILIATION BETWEEN PROFIT FOR THE PERIOD AND PROFIT USED FOR THE CALCULATION OF OWN FUNDS				
figures in €/000		TOTAL AMOUNT	ATTRIBUTABLE TO MINORITY INTERESTS	AFFILIATION OF THE GROUP
PROFIT FOR THE PERIOD				
Ente Cambiano s.c.p.a.	Parent company	46	0	46
Banca Cambiano s.p.a.	Subsidiary of the Parent Company	7,030	999	6,031
Immobiliare 1884 s.r.l.	Subsidiary of Banca Cambiano	19	3	16
Cambiano Leasing s.p.a.	Subsidiary of Banca Cambiano	1,763	326	1,437
C.H. S.p.A.	Subsidiary of Banca Cambiano	1,256	721	534
Consolidation adjustments		-1,896	0	-1,896
TOTAL PROFIT		8,218	2.04G	6.16G
Dividends and Mutual Fund:				
Ente Cambiano s.c.p.a.	Shareholders (dividends)	-30	0	-1
Ente Cambiano s.c.p.a.	Mutual Fund for the Promotion and Development of Co-operation under Law 59/1992	-1	-75	-453
Banca Cambiano S.p.A.	Shareholders (dividends)	-528	-75	-453
TOTAL SHARES DISTRIBUTED		-560	-150	-G08
NET PROFIT FOR THE PERIOD				
Ente Cambiano s.c.p.a.	Parent company	15	0	15
Banca Cambiano s.p.a.	Subsidiary of the Parent Company	6,502	924	5,578
Immobiliare 1884 s.r.l.	Subsidiary of Banca Cambiano	19	3	16
		1,763	326	1,437
Cambiano Leasing S.p.A.	A subsidiary of Banca Cambiano	1,256	721	534
Consolidation adjustments		-1,896	0	-1,896

RECONCILIATION BETWEEN PROFIT FOR THE PERIOD AND PROFIT CONTRIBUTING TO THE CALCULATION OF OWN FUNDS				
figures in €/000		TOTAL AMOUNT	ATTRIBUTABLE TO MINORITY INTERESTS	ATTRIBUTABLE TO THE GROUP
PROFIT/LOSS FOR THE PERIOD TO BE RECOGNISED IN EQUITY		7,658	1.674	5,684

Organisational model: research, development and innovation activities

Research, development and innovation

Throughout 2025, Banca Cambiano resolutely continued its path of technological innovation, confirming its strategic investments in the IT system outsourced to Cabel Industry, a technology partner that enables the comprehensive management of products and services for customers.

At the same time, the Bank utilises alternative IT suppliers, for example to adopt innovative *cloud-based* solutions, with a view to diversifying expertise and accelerating digital transformation. This approach makes it possible, on the one hand, to optimise operating costs and, on the other, to improve efficiency and speed up the adoption of innovative solutions.

The year was marked by a wide range of infrastructure, project and regulatory initiatives that have strengthened digital resilience, service quality and security measures, in line with regulatory expectations and customer needs.

The Bank's main objective remained to enhance the customer experience, expand the functionality of digital channels, strengthen risk control systems and ensure full compliance with European regulations.

2025 was a year of significant investment in information systems, with a marked improvement in digital resilience, the customer experience and the quality of internal processes.

The main projects carried out during the year are set out below.

Development of digital banking and customer services:

- Enhancement of transaction and information services through updates to the instant credit transfer (SCT Inst) systems on *MITO Home Banking and the Mambo app*, featuring new workflows, explicit activation requests and strengthened anti-fraud measures using AI predictive models.
- Digital identification and onboarding with the launch of the new remote identification process via SPID/CIE, video call or bank transfer, integrated into the BRIO/EasyDesk system.
- Development of the Wealth C Investment Advisory system through the adoption of a new platform for advising on financial and insurance investment products and a complete overhaul of the MiFID questionnaires, including new consistency checks, an updated set of documents and full alignment with the regulatory framework.

Strengthening of security measures and digital resilience

2025 was a crucial year for the implementation of the requirements of the DORA Regulation, which came into full effect on 17 January 2025. A structured capacity management process, control and monitoring mechanisms for ICT supplier risk, and network security management procedures were implemented.

Infrastructure developments and data management

2025 saw a significant acceleration in the modernisation of data management systems:

- A data warehouse for the integration of data from the Current Accounts, Deposits, Cost Accounting and Current Account Credit Facilities sectors.
- Start of the implementation of the Configuration Management Database (CMDDB) for the management of IT assets.
- Automation of SWIFT flows and new document management platforms.

A vast number of projects were carried out to ensure compliance with European and national regulations, the main ones of which are listed below.

INSTANT PAYMENTS

Regulation (EU) 2024/886 (Instant Payment Regulation), with the aim of making instant credit transfers in euros fully available to consumers and businesses in the European Union, has introduced an obligation for Payment Service Providers (PSPs) to offer instant credit transfers in euros, both for receiving and sending, as well as specific provisions for the execution of such

transfers. In particular, for PSPs in the euro area, receiving such transfers became mandatory from 9 January 2025, whilst sending them became mandatory from 9 October 2025. The Regulation also introduced, with effect from 9 October 2025, the obligation to verify the payee (VOP) – for both instant and non-instant credit transfers – with the aim of preventing fraud and errors. The Bank complied with the aforementioned deadline for sending instant SCTs and for carrying out VOP verification on both instant and standard SCTs.

INTEREST RATE RISK

The EBA has updated its technical standards on Interest Rate Risk and Credit Spread Risk, in response to the need for more rigorous management of interest rate risk, which has emerged following the prolonged rise in interest rates that has characterised the macroeconomic landscape in recent years. The main activities centred on developing a new calculation method for assessing and monitoring the CSRBB for ICAAP 2025 purposes, as well as introducing prepayment and early redemption logic into the interest rate risk management system.

DORA

Regulation (EU) 2022/2554, the ‘Digital Operational Resilience Act’ (DORA), has provided a single, uniform set of rules to strengthen the digital operational resilience of European financial institutions, with a view to enabling them to adequately manage any operational disruption and threats relating to information and telecommunications systems (ICT). The DORA Regulation came into full force on 17 January 2025. In parallel, and in accordance with the multiple mandates granted by the Regulation to the European Supervisory Authorities (ESAs) to draw up regulatory technical standards (RTS) and implementing technical standards (ITS), two sets of delegated acts of the European Commission have been adopted, setting out provisions for the implementation of the DORA Regulation. The Bank carried out a preliminary analysis of these acts, following which a two-year compliance plan (covering the period 2025–2026) was launched, aimed at implementing the further necessary remedial actions.

ACCESSIBILITY

With the entry into force of Legislative Decree 82/2022, which transposes the European Accessibility Act (EU Directive 2019/882), the Italian regulatory framework on accessibility – initiated by the Stanca Law (Law 4/2004), which initially applied exclusively to the public sector and was subsequently extended to certain private operators providing essential services to the public, such as banking services, via websites or mobile applications, provided they had recorded an average annual turnover exceeding 500 million euros in the preceding three years – is now complete. The new legislation significantly broadens the scope of entities subject to these obligations, including all economic operators in relation to the provision of certain products and services, among which consumer banking services are explicitly included. This category encompasses not only digital and interactive banking services (such as online banking), but also the documentation associated with their provision, outlining a scope for compliance that is potentially very broad and has a significant operational impact.

The Bank has launched initiatives to improve the digital accessibility of its main platforms for retail customers (internet banking, mobile banking, document management), with a project consolidation phase scheduled to run throughout 2025 and a compliance plan for 2025–2026.

ANOMALY INDICATORS FOR SOS

On 12 May 2023, the Bank of Italy issued a Provision setting out 34 new anti-money laundering anomaly indicators, redefining the criteria used by intermediaries, professionals and other operators to identify potential cases of money laundering to be reported to the Financial Intelligence Unit (UIF). This project involved updating the Transaction Monitoring module within the Gianos application, through the development of new algorithms based on the new anomaly indicators.

EBA REPORTING FRAMEWORK 4.1 – PILLAR III REPORTING

On 28 May 2025, the EBA published the final technical package for version 4.1 of the reporting framework, including among the new reporting requirements the Pillar III templates set out in the ITS adopted by Implementing Regulation (EU) 2024/3172. This integration is aimed at creating a single point of access for Pillar 3 information, via the new “Pillar 3 Data Hub” (P3DH), the EBA’s centralised platform. At the same time, the EBA has published the onboarding plan for access to the P3DH, which sets out procedural stages, timelines and transitional provisions to ensure a gradual migration without any impact on reporting obligations. The data will be made available to the public from December 2025, enhancing transparency, comparability and market discipline within the EU banking system.

For 2026, the Bank plans to consolidate its digital infrastructure and launch major strategic projects that will further strengthen its position in terms of innovation, with a gradual shift towards an operational model even more firmly based on application integration, automation, data governance and advanced digital services for retail and corporate customers.

In particular, the main development projects will focus on the following areas:

- Integration of the Tsunami platform for the distribution of insurance products with the Cabel system.
- The VirtusFlow API project to enable end-to-end digitalised processes (application processing, workflows, authorisations).
- Enhancement of early warning models through the integration of data from Cambiano Leasing.
- Back-testing of IRRBB behavioural models.
- Development of a bank transfer dashboard for the Fraud and Operations departments.
- Continuation of the DORA plan.

Work on regulatory compliance will continue in 2026, focusing primarily on the following areas:

CSRD – Sustainability Reporting

Following the transposition of the amendments to the CSRD and CSDDD, EU Directive 2026/470 was published in the Official Journal on 26 February 2026. As part of the so-called Omnibus Package on sustainability, this directive simplifies the rules on sustainability reporting and corporate due diligence for sustainability purposes, postponing the obligation to the financial year beginning on 1 January 2027. The Group's voluntary sustainability reporting initiative was launched in 2025 and will continue into 2026.

AML PACKAGE

The AML Package, published in the Official Journal of the European Union on 19 June 2024, represents the most far-reaching reform of the European framework on the prevention of money laundering and terrorist financing. The initiative aims to create a harmonised and directly applicable body of legislation, overcoming the fragmentation resulting from previous directives and strengthening the overall effectiveness of the European prevention system.

PSD3-PSR

On 28 June 2023, the European Commission presented the new Payments Services Package, designed to strengthen innovation, competition, security and consumer protection in the payments market. The package as a whole aims to create a more competitive, resilient and secure payments ecosystem, aligned with the needs of the digital market.

CONSUMER CREDIT DIRECTIVE 2 – CCD 2

Directive (EU) 2023/2225 (CCD II), published on 30 October 2023, comprehensively reforms the rules on consumer credit by repealing the previous Directive 2008/48/EC (CCD I). Its overall objective is to strengthen and modernise the regulatory framework for consumer credit within the EU, ensuring a higher level of consumer protection and promoting a single market for credit that is more efficient, transparent and in line with key market developments (both digital and non-digital). In Italy, it was transposed by Legislative Decree 212/2025.

MiFIR/MiFID II REVIEW

On 28 March 2024, Regulation (EU) 2024/791, amending the MiFIR Regulation (Regulation (EU) No 600/2014), and Directive (EU) 2024/790, amending the MiFID II Directive (Directive 2014/65/EU), came into force on 28 March 2024, with the aim of updating and strengthening the regulatory framework for financial instrument markets towards a new version commonly referred to as MiFID III. Both acts confer on ESMA a broad mandate to draw up numerous RTS. As regards the MiFIR Regulation, the process of adopting technical measures is at a more advanced stage: ESMA has already published several Final Reports, with full and phased implementation estimated for 2027. The situation is different, however, with regard to Directive (EU) 2024/790. In early February 2026, the European Commission reported that Italy, along with other Member States, had not yet notified its national transposition measures.

The Organisation Department, with the support of the CED/IT Department, oversees the project status and progress of project activities and monitors 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 requirements.

There has also been a high level of activity involving participation, including within the Italian Banking Association, in working groups such as ABILAB and conferences, all aimed at exploring technical and organisational issues in greater depth.

The operational structure

Human Resources

Human Resources management within the Banca Cambiano Group is based on valuing people and developing a corporate culture consistent with the Group's strategic objectives. HR activities, in line with the mission of the Human Resources Department in its revised remit, are based on the systematic involvement of the various organisational units, with a progressive refinement of management tools focused on motivation, communication and the ability to adapt to change.

Finally, with regard to social and relational capital, the Bank's ability to build relationships of trust with customers, communities and *stakeholders* has, over the years, enabled it to expand its presence in its target market, consolidating its position as a significant and locally focused *player*. This capital, fuelled

by the quality of its services and the continuity of its relationships, contributes significantly to long-term value creation.

Market transformations and rapid technological progress, together with the increasing complexity and skills required in professional contexts, reinforce awareness of the fundamental role of human capital. In this context, training is an essential tool for developing people's skills and for shaping the corporate culture in a manner consistent with the organisation's operational and strategic objectives.

The table below shows the breakdown of the Group's workforce at the end of each financial year:

STAFF STRUCTURE	BANCA CAMBIANO 1884			CAMBIANO LEASING			CAMBIANO BANKING GROUP				
	2025	2024	Change	2025	2024	Change	2025	%	2024	%	Change
BREAKDOWN BY QUALIFICATION											
Managers	4	4	0	1	1	0	5	1.10%	5	1.13%	0
Management teams	126	117	9	2	2	0	128	28.26%	119	26.98%	9
Professional areas	305	303	2	9	9	0	314	69.32%	312	70.75%	2
Work placements	5	5	0	1	0	1	6	1.32%	5	1.13%	1
Total	440	42G	11	13	12	1	453	100.00%	441	100.00%	12
BREAKDOWN BY GENDER											
Women	173	165	8	9	9	0	182	40.18%	174	39.46%	8
Men	267	264	3	4	3	1	271	59.82%	267	60.54%	4
Total	440	42G	11	13	12	1	453	100.00%	441	100.00%	12
BREAKDOWN BY QUALIFICATION											
Degree	224	207	17	3	2	1	227	50.11%	209	47.39%	18
Diploma	210	214	-4	10	10	0	220	48.57%	224	50.79%	-4
Other	6	8	-2	0	0	0	6	1.32%	8	1.81%	-2
Total	440	42G	11	13	12	1	453	100.00%	441	100.00%	12
BREAKDOWN BY AGE GROUP											
up to 25 years	6	6	0	0	0	0	6	1.32%	6	1.36%	0
26-35 years	77	72	5	1	0	1	78	17.22%	72	16.33%	6
36-45 years	139	131	8	2	3	-1	141	31.13%	134	30.39%	7
46-55 years	126	131	-5	5	4	1	131	28.92%	135	30.61%	-4
56-60 years	50	47	3	4	4	0	54	11.92%	51	11.56%	3
over 60 years	42	42	0	1	1	0	43	9.49%	43	9.75%	0
Total	440	42G	11	13	12	1	453	100.00%	441	100.00%	12
BREAKDOWN BY SENIORITY											
up to 3 years	41	28	13	3	2	1	44	9.71%	30	6.80%	14
4-8 years	81	83	-2	1	1	0	82	18.10%	84	19.05%	-2
9-15 years	87	101	-14	0	0	0	87	19.21%	101	22.90%	-14
16-25 years	157	146	11	5	6	-1	162	35.76%	152	34.47%	10
26-30 years	27	34	-7	2	1	1	29	6.40%	35	7.94%	-6
over 30 years	47	37	10	2	2	0	49	10.82%	39	8.84%	10
Total	440	42G	11	13	12	1	453	100.00%	441	100.00%	12
FUNCTIONAL DISTRIBUTION											
Centre	179	165	14	13	12	1	192	42.38%	177	40.14%	15
Network	261	264	-3	0	0	0	261	57.62%	264	59.86%	-3
Total	440	42G	11	13	12	1	453	100.00%	441	100.00%	12

The organisational structure

The Group's organisational structure is centred on the Parent Company's departments.

The organisational chart of Banca Cambiano S.p.A. is structured into Divisions, Areas and Functions (both staff and line functions), with the aim of proactively addressing risks and opportunities in relation to the defined strategies and objectives, through a limited number of reporting lines, in order to promptly pick up on signals from the market and from the organisation itself. The organisational chart is subject to regular reviews in order to bring it into line with new regulations as they are issued, as well as with the requirements dictated by the constant pursuit of commercial effectiveness and cost efficiency.

Another feature of the service model provided by the Group is that it offers a ‘local’ service based on the customer having reliable points of contact, with advisers who are easily accessible and highly available; furthermore, the Group’s decision-making centres are ‘close at hand’, comprising clearly identified and approachable individuals who are firmly rooted in the local community and with whom, if necessary, one can speak directly. This is an added value of the local bank that no national bank can offer. It is essential to emphasise this value and ensure that customers fully understand it.

In terms of its target clientele, the Group is naturally focused on retail customers, offering products of particular importance to households, but also to professionals and small and medium-sized enterprises. The continuous professional development of staff providing financial and insurance advisory services is ensured through the annual planning of appropriate courses to maintain the required levels of knowledge and skills.

The Bank has identified its core business as banking, together with banking, quasi-banking and insurance services, and has distinguished itself over the years through its ‘commitment to the local community’ – a reciprocal relationship in which the local community is as important to the bank as the bank is to the local community. The Bank is a local bank, identifying households and SMEs located within its respective geographical areas as its key stakeholders. Its ‘corporate mission’ consists of implementing diversification strategies in an open and competitive market, focusing on product and service quality, analysing customer needs and personalising the service itself, combined with a professional risk management strategy which is fundamentally achieved by: diversifying activities, selecting customers and spreading credit risks, balancing risk against return, and striving to maintain a low level of defaults and losses. The financial results have been achieved against a backdrop of considerable economic uncertainty; in this challenging environment, the Bank has always sought to maintain its financial and capital stability, underpinned by a close relationship with its customers, supporting them through various circumstances, including times of difficulty. The corporate governance structure is straightforward and based on appropriate delegation mechanisms and effective control systems. The Bank’s ‘human’ capital is one of the Group’s main strengths; great attention is paid to the training and development of staff and to fostering human sensitivity.

The Bank’s distribution network comprises 44 branches, of which 41 are located in the Region of Tuscany – its traditional area of operation – and three are situated in Turin, Bologna and Rome.

Distribuzione filiali¹ (#)



During the financial year, specifically in June, the Ponte Buggianese (Pt) branch was opened in an area rich in small and medium-sized enterprises but which has seen many bank branches closed by major banking groups in recent years. The opening was made possible by relocating the Corazzano (Pi) branch, which remains as an ATM outlet.

Risk management and control

The Parent Company's Board of Directors is responsible for verifying the functionality, reliability, adequacy and completeness of the internal control system. To fulfil this primary role, the Board of Directors – assisted by the Risk Committee (an internal committee) – sets out the rules, procedures, limits, and the type and frequency of reporting.

The *Risk Appetite Framework* (RAF) is constantly updated with the aim of formalising, in advance, the level of risk that the Group considers sustainable and, consequently, the extent of the risks it intends to assume, setting the resulting 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 enable the timely implementation of any necessary remedial measures should these thresholds be exceeded.

Risk management and control involve identifying the risks relevant to the Group's operations, which relate not only to its core financial intermediation and lending activities but also to the proper structuring and implementation of processes and their compliance with the relevant regulations.

For each risk, assessment and monitoring systems, organisational controls, strategies and mitigation techniques are defined. Pillar 1 and Pillar 2 risks, as defined by the Basel III agreement, are quantified.

For Pillar 1 risks (credit and counterparty risk, market risk, operational risk), which contribute to the determination of capital requirements, standardised methods are adopted in accordance 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 is used, incorporating a behavioural analysis of on-balance-sheet items. For residual risk, linked to the actual ability of collateral to mitigate the risk of loss, a process of prior verification of the eligibility of collateral is used, under the supervision of the Compliance and Risk Management functions. With regard to liquidity risk, the net short-term liquidity position, liquidity gaps and trends in Counterbalancing Capacity are calculated. The regulatory operational liquidity indicator (Liquidity Coverage Ratio – LCR) and the regulatory structural liquidity indicator (Net Stable Funding Ratio – NSFR) are calculated.

Furthermore, in line with supervisory requirements, the Group assesses the following annually:

- as part of the ICAAP (Internal Capital Adequacy Assessment Process), whether the capital planning process, that the overall exposure to risks and the resulting determination of total internal capital are in line with the Group's profile and strategy, and that the capital is adequate – in terms of amount and composition – to cover the identified risks under normal conditions and under current and prospective stress scenarios, and is reconciled with regulatory requirements and own funds;
- as part of the ILAAP (Internal Liquidity Adequacy Assessment Process), that the system for governing and managing liquidity risk, and the planning of liquidity reserve levels and funding sources, are adequate and consistent with the overall system of controls and governance.

The Group also prepares and makes publicly available the Public Disclosure by Institutions pursuant to EU Regulation No 575/2013 concerning capital adequacy, risk exposure and the general characteristics of the relevant systems responsible 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 contains qualitative and quantitative information on risks and hedging policies.

The internal control system

The Internal Control System (ICS) is structured across three levels of control, as required by supervisory regulations, and comprises:

- first-level or line controls, inherent in business processes;
- second-level controls on the extent and trend of risks and on compliance with regulations;

- third-level or internal audit controls, focusing on the ex-post verification of processes and conduct.

The corporate functions responsible for second-level controls (Compliance, Risk Management, Anti-Money Laundering) and third-level controls (Internal Audit) report directly to the Board of Directors.

To ensure the overall internal control system operates as effectively as possible, the Group has, for some time, formalised the decision-making processes and the responsibilities assigned to the various corporate functions through specific regulations which are constantly updated; it has ensured the independence and autonomy of the corporate control functions and has implemented operational and control procedures aimed at minimising the risks associated with fraud or employee misconduct, preventing and mitigating potential conflicts of interest, and avoiding involvement, even unwittingly, in acts of money laundering, usury or the financing of terrorism.

It has also put in place information and organisational systems designed to ensure the Company's business continuity, even in the event of adverse circumstances.

The Risk Committee

In compliance with supervisory regulations, the Parent Company's Board of Directors has established the Risk Committee in order to best fulfil its duties regarding risk monitoring, as well as the design and verification of the Group's internal control system. This intra-board committee therefore performs advisory functions and, where necessary, investigative and support functions for the Board of Directors in matters relating to risks and internal controls.

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

The 231 Supervisory Body

Pursuant to Legislative Decree 231/01, the Supervisory Body has been established to oversee the Company's administrative liability. For the purposes of the oversight functions entrusted to it, the Supervisory Body is granted the powers to obtain any information and any company document, to have direct access to such documents, and to carry out inspections at all the Group's facilities, departments, branches and operational centres.

In carrying out its duties, the Supervisory Body acts with complete independence from any other structure within the Group's 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, which meets the prescribed operational requirements, has access to all relevant information and, adopting a risk-based approach, monitors the risk of non-compliance with regulations across all corporate activities. It verifies that business processes are suitable for preventing breaches of external regulations (laws, regulations, etc.) and self-regulatory standards (for example, codes of conduct, codes of ethics, policies and regulations). Particular attention is paid to the issue of conflicts of interest and to all regulations that have the greatest impact on customer relations, such as usury, investment services, complaints and transparency. The Function operates on the basis of an annual work plan, subject to approval by the Board of Directors, which identifies the main risks to which the Group is exposed and sets out the relevant verification measures. The Function is structured according to a centralised organisational model, with 'specialised units' dedicated to tax matters, the processing of personal data, and health and safety at work.

The Anti-Money Laundering Function

The risk of money laundering and terrorist financing refers to the possibility that the Group may become involved, even unwittingly, in activities involving the reintroduction into the financial system of proceeds derived from unlawful activities, or in activities aimed at committing one or more offences for terrorist purposes, which may result in reputational damage and financial losses. In order to adequately manage money laundering risks, the Group has adopted a Policy setting out the strategic guidelines and risk management policies relating to money laundering and the financing of terrorism. The principles set out in the Policy are detailed in processes and procedures designed to ensure compliance with anti-money laundering legislation, which are also relevant for the purposes of the "Organisation, Management and Control Model pursuant to Legislative Decree 231/2001".

The Group combats the risk of money laundering and terrorist financing through a combination of first-level controls embedded in IT procedures or carried out by individual operational units, second-level controls entrusted to the dedicated Anti-Money Laundering Function, and third-level controls entrusted to the Internal Audit Function.

The Anti-Money Laundering Function, as the body responsible for anti-money laundering activities, transmits to the Financial Intelligence Unit (UIF) aggregated statistical data, 'Objective Reports' relating to the use of cash, as well as reports of suspicious transactions (SOS), and sends reports of breaches of the provisions set out in Article 49 of Legislative Decree 231/07 to the Ministry of Economy and Finance (MEF). The Anti-Money Laundering Function operates on the basis of an annual activity plan, subject to approval by the Board of Directors, which sets out the relevant audit procedures.

The Risk Management Function

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

- contributing to the definition of the Group's acceptable risk profile (Risk Appetite Framework) and the indicators of the Recovery Plan;
- developing models to measure the various types of risk (credit, market, operational, reputational, liquidity, interest rate, spread and concentration risks) and continuously assessing their robustness in terms of both methodological rigour and the ability to interpret risks;
- verifying compliance with the risk limits set out in the RAF and the Recovery Plan, as well as any additional limits established by the Board of Directors.

In particular, the Risk Management Function:

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

The Risk Management Function produces a comprehensive report for the Board of Directors and Senior Management, describing the trends in all the risk categories monitored. For further details on these activities, please refer to Part E of the Notes to the Financial Statements.

The Internal Audit Function

The Internal Audit function (so-called 'third-level controls') is designed, on the one hand, to monitor – from a third-level control perspective, including through on-site audits – the smooth running of operations and the evolution of risks and, on the other hand, to periodically assess the completeness, adequacy, functionality and reliability – in terms of efficiency and effectiveness – of the organisational structure and other components of the internal control system, including those relating to the information system (ICT audit), at fixed intervals determined by the nature and intensity of the risks.

With this in mind, the Audit Plan approved by the Parent Company's Board of Directors was implemented, and wide-ranging audits were carried out on the various business processes and the branch network. The focus was on risk monitoring systems, with more targeted examinations of the credit sectors, outsourced activities and, in general, the methods of applying the main regulatory provisions. Audit activities were also of significant importance, focusing on the reliability and functionality of the company's information systems, including measures to combat 'cybercrime', internal and outsourced ICT processes, and business continuity, as well as checks on the proper functioning of the regional networks.

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

Transactions with related parties and intra-group transactions

In accordance with the prudential regulations governing risk activities and conflicts of interest involving related parties, it should be noted that no transactions with related parties were carried out which were of significant importance under the relevant legislation and the criteria adopted within the framework of the policies in place, and on which the Independent Directors and/or the Board of Statutory Auditors had issued a negative opinion or raised objections. Transactions of an ordinary or recurring nature carried out during the financial year with related parties fall within the scope of the Group companies' ordinary business operations and are concluded on market terms and, in any event, on the basis

assessments of mutual economic advantage, in accordance with the internal procedures referred to above. Detailed information regarding dealings with related parties, including information on the impact of transactions or outstanding positions with such counterparties on the statement of financial position and the profit and loss account, accompanied by summary tables of these effects, is contained in Part H of the Notes to the Financial Statements.

Significant events occurring after the end of the financial year

Remedial Plan

On 21 January 2026, the Board of Directors approved the Remedial Action Plan (the Remedial Plan), which sets out the corrective measures defined by the Bank to address the findings of the Supervisory Authority following the on-site inspection. The Remedial Plan is intended to guide management actions so that the critical issues identified by the Supervisory Authority are resolved within the set timeframes. The Remedial Plan has identified specific corrective actions (80 measures), specifying for each action the status and timeline for implementation, as well as the person responsible for the process. The measures set out in the Remedial Plan, which have been submitted to the Supervisory Authority, are coordinated by an internal committee comprising the General Management, the Head of Organisation, the Head of Risk Management and the Head of Corporate Secretariat, with advice from Pricewaterhouse Coopers.

The Remedial Plan was reviewed and updated by the Board of Directors at its meeting on 6 March 2026, in conjunction with the approval of the 2026–2028 Strategic Plan and the specific AML Remedial Plan.

AML Remedial Plan

On 6 March 2026, the Board of Directors approved the specific AML Remedial Plan, which sets out the corrective measures defined by the Bank to address the findings of the Supervisory Authority following the inspection. The Plan has identified specific corrective actions (33 measures), specifying the status and implementation timeline for each one. The measures set out in the Remedial Plan, which have been submitted to the Supervisory Authority, will be fully implemented by 30 September 2026, and an interim report will be submitted to the Supervisory Authority by 30 June 2026.

The full and effective implementation of the Plan will be verified by the Internal Audit Function.

Business Plan 2026–2028

The Bank has drawn up the 2026–2028 Business Plan, which was finally approved by the Board of Directors on 6 March 2026, drawn up with the advice of Pricewaterhouse Coopers, which sets out the Bank's strategic and organisational guidelines, identifies initiatives to improve commercial effectiveness, operational efficiency, risk mitigation and capital allocation, and establishes the financial and capital targets for the three-year period.

The Plan's main areas of focus are:

- commercial revitalisation and revenue growth. The Plan forecasts growth in net interest and other banking income at a compound annual growth rate of approximately 4 per cent, from €124 million in 2025 to €141 million in 2028. This trend is supported by a strengthening of the net interest margin (thanks to the repricing of current accounts and growth in interest-bearing loans) and by growth in net commission income (+19% cumulatively over the three-year period), driven by the development of wealth management, insurance activities and the diversification of services. Annual new lending is expected to rise gradually to around €580 million by 2028.
- Capital strengthening and derisking. The Plan provides for a capital increase of €25 million in the second half of 2026, designed to support the strategy of deleveraging the impaired portfolio, investments in technology and human resources, as well as the replacement of maturing lower-quality capital. A significant derisking programme is planned, including the disposal and write-offs of non-performing loans totalling approximately €155 million (in terms of gross carrying value) over the three-year period, with the aim of reducing the gross NPE ratio from 8.4% in 2025 to 4.7% by the end of the plan. The cost of risk is expected to normalise gradually, settling at 73 basis points in 2028.
- Operational efficiency and technology investments. The cost-to-income ratio is expected to improve from 65 per cent to 61 per cent by the end of the plan. The Plan provides for technology investments of €9–11 million aimed at modernising the IT architecture and achieving greater technological independence, with a focus on the omnichannel evolution of the service model, remote branch operations and the automation of back-office processes. The recruitment of around 40 new staff members is planned, with specialist skills in the commercial and technological fields.

- Control mechanisms and regulatory compliance. In line with the Supervisory Authority's guidance, the Plan provides for further measures to strengthen controls over creditworthiness, the governance of the lending process, performance monitoring and risk classification. Significant adjustments are also planned in the area of anti-money laundering (customer due diligence, transaction monitoring, active cooperation), as well as measures addressing ICT risks, interest rate risk and provisioning.

As required by the Supervisory Provisions and internal regulations, the 2026–2028 Business Plan document was submitted for prior review by the Risk Management Function, the Compliance Function and the Risk Committee to verify the Plan's sustainability in line with the risk appetite defined and approved by the Board of Directors within the Risk Appetite Framework, and to assess the impact of the adopted strategies in terms of non-compliance risk.

The forward-looking financial and balance sheet figures set out in the Business Plan document represent the Bank's targets for the period 2026–2028 under a 'base case' scenario. Financial projections have also been developed for 'worst-case' scenarios; in particular, analyses have been carried out under adverse scenario assumptions involving reduced growth in assets under management, a reduction in credit guarantees, a deterioration in default rates, difficulties in increasing funding, and a deterioration in the outcome of NPL disposals.

Various combinations were also considered, excluding the positive effects of regulatory changes affecting the scope of consolidation, excluding the capital increase, and excluding both; however, all the scenarios considered still lead to a positive outcome in terms of maintaining the currently projected CET1, Tier 1 and Total Capital Ratio thresholds (for which reference is made to the SREP 2025 section).

Appointment process for the Chief Executive

Following the resignation of the Chief Executive on 12 November 2025, the Board of Directors delegated the relevant powers to the Deputy Chief Executive, who was appointed Acting Chief Executive.

In January 2026, the Board of Directors commissioned a specialist firm, Chaberton Partners, to proceed with the selection of a shortlist of candidates for the post of Chief Executive Officer.

Following the work carried out by the specialist firm, the Board of Directors, at its meeting on 27 March, identified the candidate for the appointment as Chief Executive Officer, who is expected to take up the post between the end of May and the beginning of June 2026.

New organisational chart

At its meeting on 27 February 2026, the Parent Company's Board of Directors, acting on a proposal from the Acting Deputy Chief Executive, approved a review of the organisational structure aimed at streamlining the structure of the General Management and its supporting functions, improving the efficiency of the commercial and operational structures, and rationalising the distribution network.

The main changes to the structure are summarised below:

- 1) Staff functions reporting to the General Management: the 'Financial Reporting, Planning and Management Control' and 'Regulatory Reporting' departments are transferred to the new Administrative Department;
- 2) Operational Divisions: Redefinition of the Divisions: five Divisions are established, compared with the previous three, reporting to the General Management following the following organisational changes:
 - A. the Business Directorate is split into two separate Directorates: Credit and Finance;
 - B. establishment of the Administrative Directorate, to which two departments previously attached to the General Management have been assigned, and the transfer of one department from the Resources and Innovation Directorate.
- 3) Changes within the operational departments: the following changes are being implemented within the departments:
 - A. Rationalisation of the Sales Department through:
 - The establishment of the 'Distribution Planning, Marketing and Insurance Strategies' staff function;
 - the 'Electronic Payments', 'Bancassurance' and 'Advisors and Wealth Management' departments – the latter of which will be responsible for coordinating these activities within the branch network – as well as the newly established Corporate Department, are placed under the direct responsibility of the Commercial Department;
 - Also reporting directly to the Commercial Division, five branch areas are re-established under the Commercial Division, and the Network Coordination role is abolished; the five areas identified are: i) Valdelsa Area (17 branches); Empolese Area (12 branches); Florentine Area (7 branches); Urban Area (3 branches); Valdarno Area (3 branches);
 - the Web Branch and the Private Branch in Florence remain outside these Areas.
 - B. Resources and Innovation Department (new name for the Resources and Operations Department):

- the ICT Governance Office is merged with the Organisation Office, which will carry out both of the former's functions;
 - a 'Contact Centre' is established, which will gradually take over customer calls intended for the branches and will also carry out sales activities;
 - the "Accounting and Administrative Services" office is transferred to the Administrative Department.
- C. Administrative Department:
- the following offices are assigned to the newly established Directorate: "Financial Statements, Planning and Management Control", "Regulatory Reporting", "Accounting and Administrative Services".

Launch of the Contact Centre

In February 2026, the Contact Centre was launched to provide support to branches in their dealings with customers. The launch was provided for in the Bank's Strategic Plan and is intended to be a key driver for the revival of commercial activity by the branches in the coming months. The roll-out has begun for some branches and will be progressively extended to all branches during 2026, with the support of a market-leading CRM application.

The staff in this office will also play an extremely valuable role, as they will be the first point of contact for customers, who, together with the entire workforce, constitute one of the Bank's key assets.

Cabel – Accenture Agreement

On 25 March 2026, Accenture finalised its acquisition of Cabel, which had already been announced towards the end of last year following the signing of the preliminary agreement on 24 December 2025.

Accenture has reached an agreement to acquire Cabel Industry, an Italian technology company providing specialised core banking, IT managed services and operations services, from the Fibonacci Group. Thanks to its expertise and the services it provides, Cabel Industry is now an established partner for numerous institutions, including medium-sized ones. The transaction strengthens Accenture's position in the shared services market for the financial sector, expanding the capabilities of Accenture Financial Advanced Solutions C Technology (AFAS) – the centre of technological excellence dedicated to financial services – with new assets, specialist expertise and an advanced credit platform.

Over the coming months, work will begin on analysing and developing the various applications.

Banca Cambiano is Cabel Industry's main client and will closely monitor the integration process with a view to capitalising on the opportunities it presents and managing any potential risks.

The expected outlook for business performance

The course of economic activity and inflation will depend crucially on the duration of the conflict in the Middle East and its impact on the production and transport of raw materials. A protracted conflict and the possibility of significant damage to energy infrastructure in the Middle East risk having a lasting impact on raw material prices, further weakening international trade and dampening the confidence of households and businesses. This would result in a sharper and more persistent rise in inflation, with significant repercussions for economic activity, particularly if these developments were accompanied by turbulence in the financial markets.

Tavola 1 – Proiezioni macroeconomiche per l'economia italiana – scenario di base
(variazioni percentuali sull'anno precedente, salvo diversa indicazione)

	Aprile 2026				Dicembre 2025			
	2025	2026	2027	2028	2025	2026	2027	2028
PIL (1)	0,7	0,5	0,5	0,8	0,6	0,6	0,8	0,9
Consumi delle famiglie	1,1	0,5	0,6	1,2	0,8	0,9	1,0	1,0
Consumi della PA	0,6	0,2	-0,7	-0,3	0,4	1,1	-0,3	0,0
Investimenti fissi lordi	3,8	1,5	0,8	0,7	3,4	1,3	1,5	1,3
di cui: Investimenti in beni strumentali	3,6	0,5	0,6	0,5	3,5	1,6	1,4	1,6
Investimenti in costruzioni	4,0	2,5	1,0	0,7	3,3	1,2	1,5	1,1
Esportazioni totali	1,4	1,0	2,4	2,9	1,1	1,3	2,5	3,0
Importazioni totali	3,9	2,5	2,4	3,0	3,0	1,9	3,0	3,0
Saldo di conto corrente della bilancia dei pagamenti (2)	1,2	0,7	1,1	1,3	1,3	1,3	1,3	1,3
Prezzi al consumo (IPCA)	1,6	2,6	1,8	1,9	1,7	1,4	1,6	1,9
IPCA al netto dei beni energetici e alimentari	1,9	2,0	1,8	1,8	1,9	1,6	1,6	1,6
Occupazione (ore lavorate)	1,5	0,6	0,4	0,6	1,6	0,7	0,6	0,7
Occupazione (numero di occupati)	1,3	0,4	0,3	0,5	1,2	0,4	0,4	0,6
Tasso di disoccupazione (3)	6,1	5,7	5,8	5,8	6,2	6,1	6,0	6,0

Fonte: elaborazioni su dati Banca d'Italia e Istat. Quadro previsivo per l'Italia basato sulle informazioni disponibili al 27 marzo (per la formulazione delle ipotesi tecniche) e al 31 marzo (per i dati congiunturali).

(1) Per il PIL e le sue componenti, variazioni stimate su dati trimestrali destagionalizzati e corretti per il numero di giornate lavorative. Senza tale correzione il PIL crescerebbe dello 0,5 per cento nel 2025, dello 0,6 nel 2026, dello 0,5 nel 2027 e dello 0,6 per cento nel 2028. – (2) In percentuale del PIL. – (3) Medie annue, valori percentuali.

Based on the results recorded during the reporting period, it is reasonable to assume that positive results will be achieved for the 2026 financial year, as forecast in the 2026–2028 Strategic Plan, provided that the macroeconomic scenario and/or the Group's key markets do not experience any major adverse events beyond management's control.

Among the main sources of instability that could influence the Cambiano Banking Group's commercial and funding strategy, in addition to the geopolitical tensions that have recently intensified with the outbreak of war in the Middle East and the tightening of trade policies (including the imposition of tariffs), the management of expected inflation levels remains the most significant factor of interest due to the effects it could have on monetary policy decisions.

In 2026 too, the Cambiano Banking Group, in line with the guidelines of the Business Plan approved by the Board of Directors on 6 March 2026, will continue to operate with a view to supporting its customers through an effective and efficient range of products and services, whilst pursuing sufficient levels of profitability and capitalisation.

The Group's mission will therefore continue to centre on its customers, with the aim of supporting households and SMEs in their business activities and in managing their savings through planned growth in lending, asset management and other forms of investment.

In line with the guidelines of the Business Plan, the Group is focused on strengthening its economic and financial efficiency, reaffirming its objective of bringing key profitability ratios into line with the sector's best performance whilst maintaining a strong focus on the quality of lending.

As in the past, the ambition remains to further define the Cambiano Banking Group's position as an independent group committed to capital strength, economic resilience and the quality of the services it offers, with a strategy increasingly focused on innovation, digital transformation and customer proximity.

Information on key risks and uncertainties and on going concern

The joint coordination committee comprising the Bank of Italy, CONSOB and ISVAP on the application of IAS/IFRS, in Document No. 2 of 6 February 2009 "Disclosures to be made in financial reports on going concern, financial risks, impairment tests on assets and uncertainties in the use of estimates", as well as the subsequent Document No. 4 of 4 March 2010, required directors to carry out particularly thorough assessments regarding the existence of the going concern assumption.

In this regard, paragraph 25 of the International Accounting Standard IAS 1 states that: “When preparing the financial statements, management must assess the entity’s ability to continue as a going concern. The entity shall prepare its financial statements on a going concern basis unless management intends to liquidate the entity or cease its operations, or has no realistic alternative to doing so.”

In order to provide evidence supporting the assumption of going concern, the Directors have taken into account the significant events that occurred in 2025 and in the first few months of 2026.

In particular, the Directors assessed:

- the findings, presented to the corporate bodies on 7 November 2025 by the Bank of Italy, of the inspections to which the Bank was subjected from 24 February to 13 June 2025, and the adoption of consequent measures and actions;
- the actions set out in the remediation plans previously outlined;
- the actions and their expected impacts set out in the 2026–2028 Plan, including in terms of compliance with the capital requirements set by the Bank of Italy.

With regard to the findings of the supervisory review, the Directors have in fact approved remedial plans which the Bank drew up in response to the supervisory findings and communicated to the Bank of Italy on 5 January 2026, subsequently updated on 6 March 2026 alongside the approval of a specific AML remedial plan.

At the meeting on 6 March 2026, the Directors approved the 2026–2028 Strategic Plan, which not only summarises the main strategic initiatives but also sets out the financial and capital targets for the Bank and the Group over the plan’s timeframe; For a detailed examination of the plan’s contents, please refer to the section ‘Business Plan 2026–2028’.

At the same meeting, the Board of Directors approved the amount of the capital increase required to support the action plan and the investments needed to address the shortcomings identified by the supervisory inspections, as well as to revitalise the business and ensure that the control mechanisms and credit process are fully reliable.

In estimating the capital increase, consideration was given both to the impact of de-risking initiatives—designed to bring the NPL ratio back to the sector average—and to the aforementioned IT and HR investment plan for the period 2026–2028

As part of the forecasts, specific analyses were carried out to assess compliance with consolidated capital requirements over the plan’s timeframe, including under the assumption of an unchanged capital structure and no changes to the scope of prudential consolidation, whilst taking into account possible positive effects arising from anticipated legislative and regulatory measures, with particular reference to the potential positive impact of the completion of the transposition of the CRD VI Directive into national law

In this regard, it should be noted that on 20 February 2025, the Supervisory Authority issued the Provision containing the ‘new’ capital decision, effective from the Supervisory Reports as at 31 March 2025, which has already been discussed in the previous paragraph on the 2025 SREP.

The requirements set out by the Bank of Italy for the prudential consolidation including Ente Cambiano are:

- Common Equity Tier 1 (CET 1) ratio: 10.05 per cent, comprising an OCR CET1 ratio of 8.30 per cent and a Target Component (Pillar 2 Guidance, P2G), to account for higher risk exposure under stress conditions, amounting to 1.75 per cent;
- Tier 1 capital ratio: 11.95 per cent, comprising an OCR T1 ratio of 10.20 per cent and a Target Component, reflecting higher risk exposure under stress conditions, of 1.75 per cent;
- Total Capital ratio: 14.55 per cent, comprising an OCR TC ratio of 12.80 per cent and a Target Component, reflecting a higher risk exposure under stress conditions of 1.75 per cent.

The capital adequacy ratios, based on the current capital structure and excluding the planned capital increases mentioned above, stand at a CET 1 ratio of 13.61 per cent, a Tier 1 ratio of 15.91 per cent and a TCR of 18.89 per cent, which is higher than the total capital ratio including the Target Component (Pillar 2 Guidance) set by the Bank of Italy, to which is added the systemic risk buffer (SyRB) coefficient, amounting to 0.846 per cent. The Bank’s liquidity profile remains consistently strong, with indicators as at 31 December 2025 exceeding the regulatory minimums

Analyses carried out in the 2026–2028 plan have demonstrated compliance with the capital requirements to which the Group must adhere across various scenario assumptions; in particular, analyses were conducted assuming a base-case scenario

and an adverse scenario, featuring reduced growth in assets, a reduction in credit guarantees, a deterioration in default rates, difficulties in increasing funding, and a deterioration in the outcome of NPL disposals.

Various combinations were also considered, excluding the positive effects of regulatory changes affecting the scope of consolidation, excluding the capital increase, and excluding both.

The assumptions made nevertheless lead to a positive outcome in terms of maintaining the CET1, Tier 1 and Total Capital Ratio thresholds currently envisaged.

The financial results for the 2025 financial year have already demonstrated the Group's operational capacity to generate income from its core business, even within an evolving economic environment, with significant provisions for loan losses; the financial and balance sheet figures at the start of 2026 currently show positive signs, consistent with the 2026 budget projections, confirming the sustainability of the objectives of the aforementioned "2026–2028 Business Plan"

The Directors, whilst aware of the complexities involved in implementing some of the planned measures within the envisaged timeframe and in the manner envisaged, have concluded:

- in light of the results as at 31 December 2025 and the objectives achieved through initiatives already implemented during 2026, and;
- - in light of the forecasts regarding the maintenance of capital requirements over the 2026–2028 Plan horizon, including under stress scenarios and disregarding the positive effects of the planned capital increase,
- that there is a reasonable expectation that the Group will continue to operate as a going concern for the foreseeable future, thereby confirming the appropriateness of applying the going concern assumption in the preparation of the financial statements for the 2025 financial year.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

	Assets	31 December 2025	31 December 2024
10	Cash and cash equivalents	136,626,203	131,313,014
20	Financial assets measured at fair value through profit or loss income	228,731,747	230,236,979
	<i>(a) financial assets held for trading</i>	74,242,550	52,055,208
	<i>b) financial assets designated at fair value</i>	-	-
	<i>c) other financial assets required to be measured at fair value</i>	154,485,157	138,181,711
30	Financial assets measured at fair value through comprehensive income	82,002,482	173,187,935
40	Financial assets measured at amortised cost	3,597,876,299	3,630,797,629
	<i>a) loans and advances to banks</i>	70,253,087	151,011,737
	<i>b) loans and advances to customers</i>	3,521,023,212	3,475,785,852
50	Hedging derivatives	-	-
60	Value adjustment of financial assets subject to generic hedging (+/-)	-	-
70	Equity investments	-	16,375,436
80	Technical reserves borne by reinsurers	-	-
	<i>(a) insurance contracts issued constituting assets</i>	-	-
	<i>b) reinsurance cessions constituting assets</i>	-	-
90	Tangible assets	103,111,591	92,579,432
100	Intangible assets	5,436,778	5,090,188
	of which: <i>goodwill</i>	-	-
110	Tax assets	19,920,963	15,713,937
	<i>a) current</i>	8,102,075	3,005,107
	<i>b) prepaid</i>	11,758,888	12,104,830
120	Non-current assets and disposal groups	-	-
130	Other assets	149,093,583	143,129,281
	Total assets	4,322,766,647	4,438,423,832

	Liabilities and equity items	31 December 2025	31/12/2024
10	Financial liabilities measured at amortised cost	3,893,792,348	4,036,386,164
	<i>a) bank borrowings</i>	214.855.38C	111,101,774
	<i>b) amounts owed to customers</i>	3.553.373.0C5	3.805.502.145
	<i>c) securities in issue</i>	85.555.857	115,782,241
20	Financial liabilities held for trading	4,339,520	420,426
30	Financial liabilities designated at fair value	-	-
40	Hedging derivatives	-	-
50	Value adjustment of financial liabilities subject to unhealed hedging (+/-)	-	-
60	Tax liabilities	4,653,169	1,103,641
	<i>a) current</i>	4,227,855	708,703
	<i>b) deferred</i>	425,314	354.538
70	Liabilities associated with assets held for disposal	-	-
80	Other liabilities	103,113,395	100,906,710
90	Staff severance pay	3,158,105	3,342,256
100	Provisions for risks and charges:	6,037,250	5,057,668
	<i>a) commitments and guarantees given</i>	2,787.53C	2.354.4C4
	<i>b) pension and similar obligations</i>	-	-
	<i>c) other provisions for risks and charges</i>	3.245.314	2.CC3.204
110	Insurance liabilities	-	-
	<i>(a) insurance contracts issued that constitute liabilities</i>	-	-
	<i>b) reinsurance cessions constituting liabilities</i>	-	-
120	Valuation reserves	557,452	-1,064,212
130	Redeemable shares	-	-
140	Equity instruments	40,000,000	40,000,000
150	Reserves	-8,898,550	-17,545,081
160	Share premium	803,240	803,240
170	Share capital	252,800,000	252,800,000
180	Treasury shares (-)	-986,909	-
190	Equity attributable to minority interests	15,176,451	1,255,338
200	Profit or loss for the year	8,254,177	14,957,684
	Total liabilities and equity	4,322,7GG,647	4,438,423,832

CONSOLIDATED INCOME STATEMENT

	Entries	31 December 2025	31 December 2024
10.	Interest income and similar income	143,957,757	180,234,302
	<i>of which: interest income calculated using the effective interest method</i>	127,702,485	170,428.643
	<i>effective interest method</i>		
20.	Interest expense and similar charges	-63,163,292	-95,726,203
30	Net interest income	80,794,465	84,508,099
40	Commission income	37,325,548	36,142,269
50	Commission expense	-7,056,979	-5,958,417
60	Net commission income	30,268,569	30,183,852
70	Dividends and similar income	909,315	544,187
80	Net trading profit	7,555,145	9,499,451
90	Net result from hedging activities	-	-
100	Gains (losses) on disposal or repurchase of:	2,210,091	1,690,507
	<i>a) financial assets measured at amortised cost</i>	1.655.458	704.886
	<i>b) financial assets measured at fair value through comprehensive income</i>	457.511	565.228
	<i>c) financial liabilities</i>	13,082	20.353
110	Net result from financial assets and liabilities measured at fair value	1,854,081	-4,278,092
	<i>(a) financial assets and liabilities designated at fair value</i>	-	-
	<i>b) other financial assets required to be measured at fair value</i>	1,854,081	-4,278,052
120	Net interest and other banking income	123,591,667	122,148,004
130	Net impairment losses/reversals on:	-33,912,917	-26,110,824
	<i>a) financial assets measured at amortised cost</i>	-33.535.752	-26.337.635
	<i>b) financial assets measured at fair value through comprehensive income</i>	26.835	226.811
140	Gains/losses arising from contractual amendments excluding derecognitions	-174,401	-394,520
150	Net result from financial operations	89,504,349	95,642,660
160	Profit from insurance services	-	-
	<i>a) insurance revenue arising from insurance contracts issued</i>	-	-
	<i>b) costs of insurance services arising from issued</i>	-	-
	<i>c) insurance income arising from reinsurance cessions</i>	-	-
	<i>d) costs for insurance services arising from reinsurance ceded reinsurance</i>	-	-
170	Net financial income and expenses relating to insurance	-	-
	<i>a) net financial costs/income relating to issued</i>	-	-
	<i>b) net financial income/expenses relating to in reinsurance</i>	-	-
180	Net profit from financial and insurance operations	89,504,349	95,642,660
190	Administrative expenses:	-81,106,219	-79,514,804
	<i>a) staff costs</i>	-37,811,175	-36.070.558

	Items	31/12/2025	31/12/2024
	<i>b) other administrative expenses</i>	-43.255.045	-43,444.20C
200	Net provisions for risks and charges	-964,833	1,509,974
	<i>a) commitments and guarantees given</i>	-353,472	-251,157
	<i>b) other net provisions</i>	-571.3C1	1,801,131
210	Net write-downs/write-backs on tangible assets	-5,562,298	-5,208,958
220	Net impairment losses/reversals on intangible assets	-2,009,734	-2,547,655
230	Other operating expenses/income	9,334,959	8,005,174
240	Operating costs	-80,308,125	-77,756,271
250	Gains (losses) on investments	1,841,081	442,376
260	Net result of fair value measurement of tangible tangible and intangible assets	-501,927	-
270	Impairment losses on goodwill	-	-
280	Gains (losses) on disposal of investments	895,393	-233,934
290	Profit (loss) from continuing operations before tax	11,430,771	18,094,831
300	Income tax for the year on current operations	-2,455,495	-3,067,259
310	Profit (loss) from continuing operations, net of tax	8,975,276	15,027,572
320	Profit (loss) from disposal groups, net of tax	-	-
330	Profit (loss) for the year	8,675,276	15,027,572
340	Profit (loss) for the year attributable to minority interests	721,098	69,888
350	Profit (loss) for the year attributable to the parent company	8,254,177	14.657.684

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Items	31/12/2025	31/12/2024
10	Profit (loss) for the year	8,675,276	15,027,572
	Other comprehensive income, net of tax, not reclassified to the profit and loss account		
20	Equity securities designated at fair value through profit or loss comprehensive income	63,850	31,373
30	Financial liabilities designated at fair value through profit (changes in own creditworthiness)	-	-
40	Hedging of equity securities designated at fair value through comprehensive income	-	-
50	Property, plant and equipment	-	-
60	Intangible assets	-	-
70	Defined benefit plans	83,273	-14,623
80	Non-current assets and disposal groups	-	-
90	Share of valuation reserves relating to equity investments measured at equity	-	-
	Other comprehensive income, net of tax, reclassified to the income statement		
100	Hedging of foreign investments	-	-
110	Exchange rate differences	-	-
120	Cash flow hedging	-	-
130	Hedging instruments (undesignated items)	-	-
140	Financial assets (other than equity securities) measured at fair value with impact on comprehensive income	1,565,363	5,603,344
150	Non-current assets and disposal groups	-	-
160	Share of valuation reserves relating to equity investments measured at equity	-146,568	-
170	Total other comprehensive income, net of tax	1,565.61G	5,620.0G4
180	Total profit (items 10+170)	10,541.1G5	20,647,666
1G0	Consolidated total profit attributable to minority interests	665,353	6G,888
200	Consolidated comprehensive income attributable to the parent company	G.875,841	20,577,777

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AS AT 31/12/2025	Balance at 31 December 2024	Adjustment to opening balances	Balance as at 1 January 2025	Allocation of the previous financial year's profit		Changes during the financial year										Equity as at 31 December 2025	Group equity as at 31 December 2025	Minority interests as at 31 December 2025
				Reserves	Dividends and other allocations	Changes in reserves	Transactions affecting equity						Comprehensive income for the year ended 31 December 2025					
							Issue of new shares	Purchase of own shares	Extraordinary dividend distribution	Changes in equity instruments	Derivatives on own shares	Share options		Changes in equity interests				
Share capital:																		
- ordinary shares	253,300,000		253,300,000											6,048,000		25G,348,000	252,800,000	6,548,000
- other shares	-															-	-	-
Share premium issue	803,240		803,240													803,240	803,240	-
Reserves:																		
- profit reserves	-16,85G,632		-16,859,632	13,958,508		-3,126,428				-2,197,500				8,292,427		67,375	-8.8G8,550	8.G65.G25
- others	-		-													-	-	-
Provisions arising from valuation	-1,064,212		-1,064,212											1,565,919		501,707	557,452	-55,745
Equity instruments	40,000,000		40,000,000													40,000,000	40,000,000	-
Treasury shares	-		-											-1,989,736		-1,G8G,736	-G86.G0G	-1,002,827
Profit (Loss) of the financial year	15,027,572		15,027,572	-13,958,508	-1,069,064									8,975,276		8,G75,276	8,254,177	721.0G8
Total Net Assets net	2G1,206.G68	-	2G1.206.G68	-	-1,06G.064	-3,126,428	-	-	-	-2.1G7,500	-	-	12,350.6G2	10,541.1G5	307,705,862	2G2.52G.411	2G2.52G.411	15,176,451
Equity of the group	28G.G51,630	-	28G.G51,630	-	-1.06G.064	-3,126,428	-	-	-	-2.1G7,500	-	-	-G05.06G	G.875.841	2G2.52G.411	2G2.52G.411		
Net assets of minority interests	1,255,338	-	1,255,338	-	-	-	-	-	-	-	-	-	13,255,761	665,353	15,176,451			15,176,451

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AS AT 31/12/2024	Opening balance as at 31 December 2023	Adjustment to opening balances	Balance at 1 January 2024	Allocation of profit previous financial year		Changes during the financial year										Equity as at 31/12/2024	Group equity as at 31 December 2024	Minority interests as at 31 December 2024
				Reserves	Dividends and other allocations	Changes in reserves	Transactions affecting equity							Comprehensive income for the year ended 31 December 2024				
							Issue of new shares	Purchase of own shares	Extraordinary dividend distribution	Changes in equity instruments	Derivatives on own shares	Share options	Changes in equity interests					
Share capital:																		
- ordinary shares	253,300,000		253,300,000												253,300,000	252,800,000	500,000	
- other shares	-		-												-	-	-	
Surcharges for issue	803,240		803,240												803,240	803,240	-	
Reserves:																		
- profit reserves	-35,203,588	-1,098,531	-36,302,119	21,586,821		53,167				-2,197,500					-16,85G,632	-17,545,081	685.44G	
- other	-		-												-	-	-	
Provisions arising from valuation	-7,782,837	1,098,531	-6,684,306											5,620,094	-1,064,212	-1,064,212	-	
Equity equity	40,000,000		40,000,000												40,000,000	40,000,000	-	
Treasury shares	-		-												-	-	-	
Profit (Loss) of the financial year	23,241,325		23,241,325	-21,586,821	-1,654,504									15,027,572	15,027,572	14.G57,684	6G.888	
Total Net Assets Net	274,358,140	-	274,358,140	-	-1,654,504	53,167	-	-	-	-2.1G7,500	-	-	-	20,647,666	2G1.206.G68	28G.G51.630	1,255,338	
Group equity	273,172.6G1	-	273,172.6G1	-	-1,654,504	-15,315	-	-	-	-2.1G7,500	-	-	-	20,577,777	28G.883.148	28G.G51,630		
Minority interests	1,185.44G	-	1,185.44G	-	-	68,482	-	-	-	-	-	-	-	6G.888	1,323,820		1,255,338	

Notes:
The "Adjustment to opening balances" column reflects the adjustment made to the balances at 31 December 2023 resulting from the reallocation of the effect of the correction of the error made by the investee companies from the item "Valuation reserves" to the item "Reserves".

CONSOLIDATED CASH FLOW STATEMENT

INDIRECT METHOD	Amounts 31/12/2025	Amounts 31/12/2024
A. OPERATING ACTIVITIES		
1 Management	47,322,161	52,668,850
- Profit/loss for the year (+/-)	8,975,276	15,027,572
- Gains/losses on financial assets held for trading and on other financial assets/liabilities measured at fair value through profit or loss (+/-)	-6,558,391	2,516,555
- Gains/losses on hedging activities (+/-)	-	-
- Net credit risk impairment losses/reversals (+/-)	33,912,917	26,110,824
- Net value adjustments/reversals on tangible and intangible fixed assets (+/-)	7,572,032	7,756,613
- Net provisions for risks and charges and other costs/income (+/-)	964,833	-1,509,974
- Net uncollected premiums (-)	-	-
- Other uncollected insurance income/expenses (-/+)	-	-
- Unpaid taxes, duties and receivables (+)	2,455,495	3,067,259
- Net impairment losses/reversals on groups of assets held for disposal, net of the tax effect (+/-)	-	-
- Other adjustments (+/-)	-	-
2 Cash generated/absorbed by financial activities	114,652,783	184,117,746.83
- Financial assets held for trading	22,206,131	-5,767,729
- Financial assets designated at fair value	-	-
- Other assets required to be measured at fair value	-14,142,508	-41,729,925
- Financial assets measured at fair value through other comprehensive income	91,188,899	301,836,460
- Financial assets measured at amortised cost	-995,034	-111,143,414
- Other assets	16,395,294	40,922,358
3 Cash generated/absorbed by financial liabilities	-126,650,725	-434,285,858
- Financial liabilities measured at amortised cost	-142,593,816	-416,502,122
- Financial liabilities held for trading	3,919,094	-22,026
- Financial liabilities designated at fair value	-	-
- Other liabilities	11,723,997	-17,761,709
Net cash generated/used in operating activities	35,024.21G	-1G7.1GG.258
B. INVESTING ACTIVITIES		
1 Cash generated from	3,746,854	4,331,476
- Sales of equity investments	3,597,240	-
- Dividends received on equity investments	-	-
- Disposals of tangible assets	149,614	4,331,476
- Sales of intangible assets	-	-
- Disposals of subsidiaries and business units	-	-
2 Cash used by	-32,388,820	-15,448,2G6
- Purchases of equity investments	-1,588,440	-
- Purchases of tangible assets	-28,112,763	-12,738,310
- Purchases of intangible assets	-2,687,616	-2,709,985
- Acquisitions of subsidiaries and business units	-	-
Net cash generated/used in investing activities	-28,641.6G5	-11,116,820
C. FUNDING ACTIVITIES		
- Issuance/purchase of own shares	-	-
- Issuance/purchase of equity instruments	-	-
- Dividend payments and other purposes	-	-1,654,504
- Sale/acquisition of controlling interests in third parties	-1,069,064	-
Net cash generated/absorbed by funding activities	-1,06G,064	-1,654,504
NET CASH FLOW GENERATED/ABSORBED DURING THE FINANCIAL YEAR	5,313,18G	-20G.G70.582

RECONCILIATION

FINANCIAL STATEMENT ITEMS	Amounts 31/12/2025	Amounts 31/12/2024
Cash and cash equivalents at the start of the financial year	131,313,014	341,283,5G6
Total net cash generated/used during the financial year	5,313,189	-209,970,582
Cash and cash equivalents: effect of exchange rate fluctuations	-	-
Cash and cash equivalents at the end of the financial year	136,626,203	131,313,014

Key: (+) generated (-) absorbed

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

PART A – Accounting policies

A.1 – General

Section 1 – Statement of compliance with International Accounting Standards

The financial statements of the Cambiano Banking Group (the Group) have been prepared in accordance with the IFRS accounting standards issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC) endorsed by the European Commission and in force as at 31 December 2025, transposed into Italian law by Legislative Decree No. 38/2005, which exercised the option provided for in EC Regulation No. 1606/2002 on international accounting standards. The consolidated financial statements as at 31 December 2025 have been prepared in accordance with the guidelines issued by the Bank of Italy in Circular No. 262/05 “Bank financial statements: formats and rules for preparation”, as updated by the eighth update of 17 November 2022. These Instructions set out, in a binding manner, the financial statement formats and the relevant preparation methods, as well as the content of the Notes to the Accounts. The consolidated financial statements comprise the Balance Sheet, the Profit and Loss Account, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Cash Flow Statement and the Notes to the Accounts, and are accompanied by the Management Report. The balance sheet and profit and loss account are presented in euros; the other statements and tables in the notes to the financial statements are presented in thousands of euros. The accounting standards adopted for the preparation of the 2025 consolidated financial statements, with regard to the classification, recognition, measurement and derecognition of the various asset and liability items, as well as the methods for recognising revenue and costs, have remained unchanged from the 2024 Consolidated Financial Statements, with the exception of the amendments made following the entry into force, with effect from 1 January 2025, of the new standards detailed below.

Document title	Date of publication	Entry into force
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 to assess whether one currency can be converted into another and, where this is not possible, how to determine the exchange rate to be used and the disclosures to be provided in the notes to the financial statements. The adoption of this amendment had no impact on the Group’s financial statements	15 August 2023	1 January 2025

As at the date of this document, the relevant bodies of the European Union have completed the endorsement process necessary for the adoption of the amendments and standards described below; however, these standards are not yet mandatory and have not been early adopted by the Group as at 31 December 2025:

Document title	Date of publication	Effective force
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 certain issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary depending on the achievement of ESG objectives (i.e. green bonds). In particular, the amendments aim to: - Clarify the classification of financial assets with variable returns linked to environmental, social and corporate governance (ESG) objectives, and the criteria to be used for assessing the SPPI test; - determine that the settlement date for liabilities settled via electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy allowing it to derecognise a financial liability before delivering cash on the settlement date, provided certain specific conditions are met. With these amendments, the IASB has also introduced further disclosure requirements relating, in particular, to investments in equity instruments designated at FVOCI. The amendments will apply to financial statements for financial years beginning on or after 1 January 2026, but early application is permitted. The directors do not expect a on the Group’s consolidated financial statements arising from the adoption of this amendment.	30/05/2024	1 January 2026
On 18 July 2024, the IASB published a document entitled “Annual Improvements Volume 11”. The document includes clarifications, simplifications, corrections and changes aimed at improving the consistency of various IFRS Accounting Standards. The amended standards are: IFRS 1 First-time Adoption of International Financial Reporting Standards;	18 July 2024	1 January 2026

Document title	Date of publication	Date of force
- IFRS 7 Financial Instruments: Disclosures and the related guidance on the implementation of IFRS 7; - IFRS 10 Consolidated Financial Statements; and - IAS 7 Statement of Cash Flows. The amendments will apply from 1 January 2026, but early application is permitted. The directors do not expect this amendment to have a significant effect on the Group's financial statements as a result of adopting this amendment.		
On 18 December 2024, the IASB published an amendment entitled "Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7". The document aims to assist 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 may vary depending on uncontrollable factors such as weather conditions. The IASB has made targeted amendments to IFRS 9 and IFRS 7. The amendments include: - clarification regarding the application of the 'own use' requirements to this type of contract; - the criteria for recognising such contracts as hedging instruments; and, - the 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 early application is permitted. The directors do not expect this amendment to have a significant effect on the Group's financial statements as a result of adopting this amendment.	18/12/2024	1 January 2026

The Group has not exercised the option to apply the Regulations, which come into force on 1 January 2026, early, as it is not considered that these amendments will have a significant impact on the statement of financial position and the income statement.

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

Document title	Date of publication	Entry into force
On 9 April 2024, the IASB published a new standard, IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1 <i>Presentation of Financial Statements</i>. The new standard aims to improve the presentation of financial statements, with particular reference to the income statement. Specifically, the new standard requires: - classify revenue and expenses into three new categories (operating, investing and financing sections), in addition to the 'tax' and 'discontinued operations' categories already included in the income statement; - present two new subtotals: operating profit and profit before interest and tax (i.e. EBIT). The new standard also: - requires more information on performance indicators defined by management; - introduces new criteria for the aggregation and disaggregation of information; and, - introduces certain changes to the cash flow statement format, including the requirement to use operating profit as the starting point for presenting the cash flow statement prepared using the indirect method, and the removal of certain classification options for some existing items (such as interest paid, interest received, dividends paid and dividends received). The new standard will come into force on 1 January 2027, but early adoption is permitted. At present, the directors are assessing the possible effects of introducing this new standard on the financial statements.	9 April 2024	1 January 2027
On 9 May 2024, the IASB published a new standard, IFRS 13 Subsidiaries without Public Accountability: Disclosures. The new standard introduces certain simplifications regarding the disclosures required by the IFRS Accounting Standards in the financial statements of a subsidiary that meets the following requirements:	9 May 2024	1 January 2027

Document title	Date of publication	Date of force
- has not issued any equity or debt instruments listed on a regulated market and is not in the process of issuing any; - its parent company prepares consolidated financial statements in accordance with IFRS. The new standard will come into force on 1 January 2027, but early adoption is permitted. The directors do not expect this amendment to have a significant impact on the Group's financial statements as a result of adopting this amendment.		
On 13 November 2025, the IASB published a document entitled <i>"Translation to a Hyperinflationary Presentation Currency – Amendment to IAS 21"</i>, which clarifies the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if: - its functional currency is that of a non-hyperinflationary economy and it is translating its financial results and financial position into the currency of a hyperinflationary economy; or, - it is translating the financial results and financial position of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, into the currency of a hyperinflationary economy. The amendments will apply to financial statements for annual periods beginning on or after 1 January 2027. The directors do not expect any impact on the Group'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 IFRS to continue recognising amounts relating to assets subject to regulated tariffs (<i>"Rate Regulation Activities"</i>) in accordance with previously adopted accounting standards. As the Company is not a <i>first-time adopter</i>, this standard is not applicable.	30/01/2024	

Section 2 – General Principles of Preparation

In preparing the consolidated financial statements, the following general principles of preparation set out in IAS 1 have been observed:

- Going concern – The consolidated financial statements have been prepared on a going concern basis;
- Accrual basis of accounting – Costs and revenues are recognised on an accrual basis and in accordance with the matching principle;
- Consistency in the presentation of the financial statements – The presentation and classification of items are maintained from one financial year to the next in order to ensure the comparability of information, unless changes are required by an International Accounting Standard or an interpretation thereof, or simply where another presentation or classification is deemed more appropriate in terms of materiality and reliability in the presentation of information;
- Prohibition on offsetting – Assets, liabilities, costs and revenues are not offset against one another unless required by an International Accounting Standard or an interpretation, or unless 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 formats consist of items (numbered with Arabic numerals) and sub-items (labelled with letters) and further explanatory details (the 'of which' items for the headings and sub-headings). The headings, sub-headings and related explanatory details constitute balance sheet accounts. The formats comply with those defined by the Bank of Italy in Circular No. 262 of 22 December 2005 and subsequent updates. New headings may be added to the above formats if their content cannot be classified under any of the headings already provided for in the formats, and only if the amounts involved are material. The sub-headings provided for in the formats may be grouped together where one of the following two conditions applies:
 - the amount of the sub-items is immaterial;
 - the grouping enhances the clarity of the financial statements; in this case, the notes to the financial statements must clearly list the sub-items that have been grouped.

In the balance sheet, the profit and loss account and the statement of comprehensive income, accounts showing no amounts for either the financial year to which the financial statements relate or the previous financial year are not shown;
- substance over form*: transactions and other events are recognised and presented in accordance with their substance and economic reality, and not merely in accordance with their legal form;
- comparative information*: for each account in the balance sheet and the profit and loss account, comparative information relating to the previous financial year is provided, unless an accounting standard or an interpretation permit or require otherwise. Explanatory and descriptive information is also included where this facilitates a better understanding of the financial statements in question. Figures relating to the previous financial year may be appropriately restated, where necessary, to ensure the comparability of the information relating

the current financial year. Any lack of comparability, adjustments made or the impossibility of making such adjustments are disclosed and commented on in the notes to the financial statements;

- Frequency of reporting: the report must be prepared at least annually; if an entity changes the end date of its financial year, it must state the reason for the change in the length of the financial year and the fact that the figures are comparable.

The notes to the financial statements are divided into parts. Each part of the notes is divided into sections, each of which covers a single aspect of the entity's operations.

Statement on going concern

The Joint Coordination Committee comprising the Bank of Italy, CONSOB and ISVAP on the application of IAS/IFRS, in Document No. 2 of 6 February 2009 "Disclosures in financial reports on going concern, financial risks, impairment tests on assets and uncertainties in the use of estimates", as well as the subsequent document No. 4 of 4 March 2010, required the Directors to carry out particularly thorough assessments regarding the existence of the going concern assumption.

In this regard, paragraph 25 of the International Accounting Standard IAS 1 states that: "When preparing the financial statements, management must assess the entity's ability to continue as a going concern. The entity shall prepare its financial statements on a going concern basis unless management intends to liquidate the entity or cease its operations, or has no realistic alternative to doing so."

In order to provide evidence supporting the assumption of going concern, the Directors have taken into account the significant events that occurred in 2025 and in the first few months of 2026.

In particular, the Directors assessed:

- the findings, presented to the corporate bodies on 7 November 2025 by the Bank of Italy, of the inspections to which the Bank was subjected from 24 February to 13 June 2025, and the adoption of consequent measures and actions;
- the actions set out in the previously presented remedial plans;
- the actions and their expected impacts set out in the 2026–2028 Plan, including in terms of compliance with the capital requirements set by the Bank of Italy.

With regard to the findings of the inspection, the Directors have in fact approved remedial plans which the Bank drew up in response to the inspection findings and communicated to the Bank of Italy on 5 January 2026, subsequently updated on 6 March 2026 alongside the approval of a specific AML remedial plan.

At the meeting on 6 March 2026, the Directors approved the 2026–2028 Strategic Plan, which not only summarises the main strategic initiatives but also sets out the financial and capital targets for the Bank and the Group over the plan's timeframe; For a detailed examination of the plan's contents, please refer to the section 'Business Plan 2026–2028'.

At the same meeting, the Board of Directors approved the amount of the capital increase required to support the action plan and the investments needed to address the shortcomings identified by the supervisory inspections, as well as to revitalise the business and ensure that the control mechanisms and credit process are fully reliable.

In estimating the capital increase, consideration was given both to the impact of de-risking initiatives—designed to bring the NPL ratio back to the sector average—and to the aforementioned IT and HR investment plan for the period 2026–2028

As part of the forecasts, specific analyses were carried out to assess compliance with consolidated capital requirements over the plan's timeframe, including under the assumption of an unchanged capital structure and no changes to the scope of prudential consolidation, whilst taking into account possible positive effects arising from anticipated legislative and regulatory measures, with particular reference to the potential positive impact of the completion of the transposition of the CRD VI Directive into national law

In this regard, it should be noted that on 20 February 2025, the Supervisory Authority issued the Provision containing the 'new' capital decision, effective from the Supervisory Reports as at 31 March 2025, which has already been discussed in the previous paragraph on the 2025 SREP.

The requirements set out by the Bank of Italy for the prudential consolidation including Ente Cambiano are:

- Common Equity Tier 1 (CET 1) ratio: 10.05 per cent, comprising an OCR CET1 ratio of 8.30 per cent and a Target Component (Pillar 2 Guidance, P2G), to account for higher risk exposure under stress conditions, amounting to 1.75 per cent;
- Tier 1 capital ratio: 11.95 per cent, comprising an OCR T1 ratio of 10.20 per cent and a Target Component, reflecting higher risk exposure under stress conditions, of 1.75 per cent;
- Total Capital ratio: 14.55 per cent, comprising an OCR TC ratio of 12.80 per cent and a Target Component, reflecting a higher risk exposure under stress conditions of 1.75 per cent.

The capital adequacy ratios under the current capital structure, excluding the planned capital increases mentioned above, stand at a CET 1 ratio of 13.61 per cent, a Tier 1 ratio of 15.91 per cent and a TCR of 18.89 per cent, which is higher than the total capital ratio including the Target Component (Pillar 2 Guidance) set by the Bank of Italy, to which is added the systemic risk buffer (SyRB) ratio, amounting to 0.846 per cent. The Bank's

Bank's liquidity profile remains consistently high, with indicators as at 31 December 2025 exceeding the regulatory minimums

The analyses carried out in the 2026–2028 plan have demonstrated compliance with the capital requirements to which the Group must adhere across various scenario assumptions; in particular, analyses were carried out assuming a base-case scenario and an adverse scenario, featuring reduced growth in assets, a reduction in credit guarantees, a deterioration in default rates, difficulties in increasing funding, and a deterioration in the outcome of NPL disposals.

Various combinations were also considered, excluding the positive effects of regulatory changes affecting the scope of consolidation, excluding the capital increase, and excluding both.

The assumptions made nevertheless lead to a positive outcome in terms of maintaining the currently projected CET1, Tier 1 and Total Capital Ratio thresholds.

The financial results for the 2025 financial year have already demonstrated the Group's operational capacity to generate income from its core business, even within an evolving economic environment, with significant provisions for loan losses; the financial and balance sheet figures at the start of 2026 currently show positive signs, consistent with the 2026 budget projections, confirming the sustainability of the objectives of the aforementioned "2026–2028 Business Plan"

The Directors, whilst aware of the complexities involved in implementing some of the planned measures within the envisaged timeframe and in the manner envisaged, have concluded:

- in light of the results as at 31 December 2025 and the objectives achieved through initiatives already implemented during 2026, and;
- in light of the forecasts regarding the maintenance of capital requirements over the 2026–2028 Plan horizon, including under stress scenarios and disregarding the positive effects of the planned capital increase,

that there is a reasonable expectation that the Group will continue to operate as a going concern for the foreseeable future, thereby confirming the appropriateness of applying the going concern assumption in the preparation of the financial statements for the 2025 financial year.

Scope and methods of consolidation

The consolidated financial statements of the Cambiano Banking Group comprise the financial statements of Banca Cambiano 1884 S.p.A. and its subsidiaries. Companies are considered subsidiaries where the Parent Company, directly or indirectly, holds more than half of the voting rights or where, even with a lower share of voting rights, the Parent Company has the power to appoint the majority of the directors of the investee or to determine its financial and operating policies. When assessing voting rights, account is also taken of 'potential' rights that are currently exercisable or convertible into actual voting rights at any time. Associates, i.e. companies subject to significant influence, are defined as those entities in which the parent company, directly or indirectly, holds at least 20 per cent of the voting rights (including 'potential' voting rights as defined above) or in which – even with a lower share of voting rights – it has the power to participate in determining the investee's financial and management policies by virtue of specific legal ties such as participation in shareholders' agreements. Controlled investments are consolidated using the full consolidation method, whilst non-controlling interests are consolidated using the equity method.

Consolidation criteria

The consolidated financial statements of Banca Cambiano 1884 S.p.A. comprise the balance sheet and profit and loss account figures of the parent company and its 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 investee that are capable of affecting its returns;
- exposure to the variability in returns arising from the investee's activities;
- the exercise of power to influence returns.

Entities in which the Parent Company, directly or indirectly, holds more than half of the voting rights are considered subsidiaries. The concept of control, however, is deemed to exist when there is concurrent power over the investee entity. There must be a correlation between powers and returns, which arises when valid rights are held that give the Parent Company the current ability to direct the relevant activities or to significantly influence the returns of the investee.

Entities in which voting rights and control over the investee's economic activities are shared equally, directly and indirectly, by the parent company and another external entity are considered jointly controlled. Furthermore, an equity investment is classified as being under joint control when, even in the absence of an equal share of voting rights, control over the investee's economic activities and strategic direction is shared with other parties by virtue of contractual agreements. As at 31 December 2025, there were no jointly controlled companies within the Banca Cambiano Group.

Associates, i.e. entities subject to significant influence, are defined as those 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. Furthermore, entities are considered associates where

– even with a lower share of voting rights – the Parent Company has the power to participate in determining financial and management policies by virtue of specific legal ties, such as, for example, participation in shareholders' agreements.

Consolidation methods

As a general rule, subsidiaries are consolidated using the full consolidation method, whilst entities subject to joint control and non-controlling interests over which the Group exercises significant influence are consolidated using the equity method.

The criteria for full consolidation are as follows: assets, liabilities and the profit and loss account are recognised in full on a 'line-by-line' basis;

- payables and receivables, off-balance-sheet transactions, as well as income and expenses and profits and losses arising from transactions between consolidated companies, are eliminated against each other;
- the shares of equity and profit for the year attributable to minority shareholders of the consolidated companies are included in specific items under liabilities on the balance sheet and in the profit and loss account;
- upon initial consolidation, the carrying amount of investments in companies consolidated on a full or proportional basis is written off against the equity of those companies (or against the share of equity represented by the investments themselves).
- Any changes in the ownership interest in a subsidiary are accounted for as equity transactions. Any difference between the adjusted carrying amount of the investments and the fair value of the consideration paid (or received) must be recognised directly as a change in equity and appropriately allocated to minority shareholders;
- An annual review (or whenever there is evidence of impairment) is carried out to assess the adequacy of the value of goodwill (the so-called impairment test), as required by IAS 36. To comply with regulatory requirements, it is necessary to identify the cash-generating unit to which the goodwill is allocated. The amount of any impairment loss is the negative difference between the carrying amount of goodwill and its recoverable amount, determined as 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 profit and loss account.

Under the equity method:

- the carrying amount of significant equity investments held by the Parent Company or by other Group companies, relating to companies consolidated using the equity method, is compared with the relevant share of the investee's equity. Any excess of the carrying amount – arising on first application in the consolidated financial statements – is included in the carrying amount of the investee. Changes in the equity value occurring in the years following the year of first application are recognised under item 240 of the consolidated profit and loss account ("Gains and losses on equity investments") to the extent that such changes relate to the profits or losses of the investee companies, and directly in equity for the remaining portion. For the consolidation of investments in associates, where available, the draft financial statements as at 31 December 2025 approved by the respective Boards of Directors have been used; in the absence of these, the figures relating to the latest financial statements as at 30 September 2025 have been taken into account;
- if there is evidence that the value of a significant investment may have been impaired, the recoverable amount of the investment is estimated, taking into account the present value of the future cash flows that the investment is expected to generate, including the final disposal value of the investment. Where the recoverable amount is lower than the carrying amount, the resulting difference is recognised in the profit and loss account.
- The regulations in force require two consolidation scopes to be managed:
- the accounting consolidation scope governed by IFRS 10 'Consolidated Financial Statements', IAS 27 'Separate Financial Statements', IAS 28 'Investments in Associates and Joint Ventures' and, where applicable, IFRS 11 'Joint Arrangements' (all adopted by Commission Regulation (EU) No 1254/2012 and effective from 1 January 2014, as subsequently amended) and IFRS 3 'Business Combinations' (adopted by Commission Regulation (EU) No 495/2009, as subsequently amended).
- The scope of prudential consolidation is governed by Regulation (EU) No 575/2013, Article 19 of which sets out guidelines on entities excluded from the scope of prudential consolidation.

As mentioned, the above-mentioned regulations contribute to determining the scope of consolidation, as well as the methods by which such consolidation is to be carried out.

International accounting standards require that controlled subsidiaries be consolidated using the full consolidation method, whilst those subject to joint control and non-controlling interests over which the Group exercises significant influence are consolidated using the equity method. The supervisory regulations (CRR), in Article 19 referred to above, exclude from the full consolidation method financial institutions and special-purpose entities which, although included in the Banking Group, have total assets and off-balance-sheet items amounting to less than the lower of the following two amounts:

- €10 million;
- 1 per cent of the total assets and off-balance-sheet items of the parent company or the company holding the shareholding.

As at 31 December 2025, all Group companies are consolidated using the full consolidation method.

Changes in the scope of consolidation

The scope of consolidation of the Banking Group has undergone the following changes compared with 31 December 2024:

- ✓ Companies subject to significant influence:
the following transactions took place during 2025:

- **Cabel Industry:**

During September 2025, the sale of Banca Cambiano's stake in Cabel Industry SpA – 540,000 shares, representing 8.04 per cent – was completed - through a complex transaction which initially involved the Bank acquiring the shares in Cabel Industry held by the company's minority shareholders – 2,145,714 shares, representing 31.96% - before subsequently selling to QUID, the majority shareholder, the entire stake held in Cabel Industry, in addition to that acquired from the other minority shareholders, at a unit price of €3.23 per share, realising a total profit of €957,329.67. As at 31 December 2025, the company is therefore no longer included within the scope of consolidation of the Cambiano Banking Group.

- **C.H. S.p.A.:**

C.H. S.p.A. is also included in the scope of consolidation with effect from the 2025 financial year. The company, which currently carries out purely passive property-related activities, is not part of the Banking Group; the Bank holds a 49.60% stake in it. It is included within the scope of consolidation because, based on the analysis carried out, the requirements for classifying the relationship with C.H. as a controlling interest under IFRS 10 have been met. This conclusion was reached following the identification of the exercise of power over the investee by virtue of the majority of votes actually cast by the Bank at the investee's general meeting of shareholders—which approved the financial statements as at 31 December 2024—compared with the other minority shareholders present, and the simultaneous identification of the other factors determining control as set out in the accounting standard (exposure to variable returns and the ability to direct returns).

The scope of consolidation of the Banking Group was as follows at 31 December 2025:

Investments in subsidiaries).

Company Name	Registered office	Type Relationship	Company Participating	Share Percentage	Voting rights percentage
Immobiliare 1884 S.p.A.	Florence	Subsidiary	Banca Cambiano 1884 S.p.A.	100.00%	100.00%
Cambiano Leasing S.p.A.	Empoli	Subsidiary	Banca Cambiano 1884 S.p.A.	95.00%	95.00%
C. H. S.p.A.	Empoli	Subsidiary	Banca Cambiano 1884 S.p.A.	49.60%	49.60%

Further information

For the consolidation of companies using the full consolidation method, the financial statements prepared and approved by the individual companies as at 31 December 2025 were used. Group companies, which are subject to the application of national accounting standards, were required to prepare financial statements and data in accordance with the international accounting standards followed in the preparation of the consolidated financial statements.

Section 3 – Events after the balance sheet date

Following the preparation of the financial statements for the year ended 31 December 2025, 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 disclosures. For further details on events occurring after 31 December 2024, please refer to the relevant section in the Directors' Report on Operations.

Section 4 – Other matters

The Group's financial statements are subject to statutory audit 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 the consolidated financial statements.

The preparation of the financial statements also requires the use of estimates and assumptions that may have a significant impact on the amounts recognised in the balance sheet and the profit and loss account, as well as on the disclosures relating to contingent assets and liabilities reported in the financial statements. The preparation of these estimates involves the use of available information and the adoption of subjective judgements, based in part 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; it cannot therefore be ruled out that, in subsequent financial years, the current amounts recognised in the financial statements may differ, even significantly, as a result of changes in the subjective judgements used. The main areas in which the Bank is most frequently required to make subjective judgements are:

- the quantification of impairment losses on loans and, generally, on other financial assets;
- the determination of the fair value of financial instruments for the purposes of financial reporting;
- the use of valuation models to recognise the fair value of financial instruments not quoted on active markets;
- the assessment of the appropriateness of the value of goodwill and other intangible assets;
- the quantification of staff provisions and provisions for risks and charges;
- estimates and assumptions regarding the recoverability of deferred tax assets.

The description of the accounting policies applied to the main financial statement aggregates provides the necessary details to identify the main assumptions and subjective judgements used in the preparation of the annual financial statements. As part of its policies for managing loans to customers, the Bank has adopted processes and procedures for monitoring the performance of loan portfolios in accordance with sector regulations and internal provisions governing the rules for classification and transfer between the various risk categories. In the process of

classifying non-impaired loans – including for the purposes of their subsequent valuation – the Bank has taken into account the particular context of macroeconomic uncertainty arising from ongoing geopolitical tensions.

For the classification of credit exposures into homogeneous risk classes, the Bank 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 Bank, as part of its classification and valuation policies, has employed valuation processes and methods characterised by elements of subjectivity and the estimation of certain variables, such as, primarily, projected cash flows, expected recovery times and the estimated realisable value of collateral, where applicable, changes to which may result in a variation in the final recoverable amount.

For further detailed information regarding the composition and the relevant carrying amounts of the items affected by the estimates in question, please refer to the specific sections of the notes to the financial statements.

With regard to the quantification of losses arising from the impairment of loans, Appendix B5.5.49 of the IFRS 9 accounting standard requires that the models used to measure loans in the portfolio be supplemented with judgement-based adjustments where the models themselves do not fully capture the expected impacts. The risks not captured by the models are known as ‘novel risks’ (or emerging risks), i.e. those risks that arise for the first time or which, whilst having existed in the past, now exhibit characteristics, magnitudes or impacts that are significantly different from those observed historically. As at 31 December 2025, the Risk Management Function assessed the adequacy of the management overlays applied to the Bank’s loan portfolio, taking into account developments in the macroeconomic environment and the main sources of uncertainty relevant to the measurement of expected losses under IFRS 9. The Risk Management Function deemed it appropriate to confirm the application of the management overlays already in place since 2024, maintaining the same methods of calculation:

Exposures secured by non-residential property

With regard to loans to businesses secured by non-residential property (commercial property), the Bank maintained the relevant management overlays throughout the 2025 financial year, given the continuing high level of risk in the commercial property sector at European level. For these positions, the management overlay was determined by applying an increased Loss Given Default (LGD), consistent with recovery profiles comparable to those of unsecured exposures, in place of the standard LGD applicable to positions secured by property.

The retention of management overlays on exposures secured by non-residential property resulted, with regard to the Bank’s loan portfolio as at 31 December 2025, in an increase in write-downs totalling €650 thousand, of which:

- €137,000 relating to exposures classified as Stage 1;
- €513 thousand relating to exposures classified as Stage 2.

Management overlays on climate and environmental risks (ESG)

In line with regulatory and supervisory expectations regarding the integration of climate and environmental risks into risk management frameworks, the Bank maintained throughout the 2025 financial year the management overlays introduced to address ESG risks, as a first structured approach to incorporating these factors into the calculation of expected losses.

The add-ons applied are designed to capture, in a prudent manner, the potential effects of climate and environmental risks on the main components of the IFRS 9 model, with reference to both the probability of default of counterparties and the loss given default rates.

In particular:

- physical risk, defined as the risk of financial losses arising from extreme weather events or long-term phenomena linked to climate change. For this type of risk, the management overlay was determined by increasing the Loss Given Default applied to the most exposed counterparties, taking into account both properties used for business purposes and exposures secured by property collateral;
- transition risk, relating to the potential economic, financial and competitive impacts arising from the transition to a low-carbon economy. For counterparties most exposed to these factors, the management overlay was determined by applying a prudent increase to the Probability of Default.

The maintenance of management overlays on climate and environmental risks resulted, as at 31 December 2025, in an increase in total write-downs of €3.06 million, of which:

- €896,000 on exposures classified as Stage 1;
- €2.17 million on exposures classified in Stage 2.

The total impact of the management overlays as at 31 December 2025 therefore amounts to €3.71 million.

In line with the approach adopted by the Parent Company, specific add-ons have been applied to the impairment charges on positions classified as Stage 1 and Stage 2 for the subsidiary Cambiano Leasing, to address physical and transition climate risks, based respectively on an increase in the Loss Given Default (LGD – loss given default) and the probability of default of the counterparties most affected by these risks within the loan portfolio. Furthermore, again in line with the Parent Company’s approach, the management overlays relating to property leasing contracts concerning commercial properties were maintained, applying a specific, more conservative Loss Given Default (LGD – loss given default rate). This resulted in a total add-on of 389 thousand euros for Cambiano Leasing as at 31 December 2025.

The macroeconomic outlook

The already highly unstable geopolitical situation, arising from ongoing conflicts in various parts of the world (primarily attributable to the effects of the Russia-Ukraine conflict), has recently been further exacerbated by the conflict in the Middle East, and continues to represent a risk factor for global economic stability to this day. The duration and intensity of the hostilities could, in fact, have a negative impact on a macroeconomic scenario that appeared to be moving towards a gradual stabilisation, with effects that cannot be estimated should the conflict extend further. It should be noted that the Group has no significant exposures relating to the countries involved in the ongoing conflicts and therefore does not experience any direct effects arising from them.

Against this backdrop, whilst hoping above all for a swift resolution to all ongoing conflicts, the Bank's relevant internal departments are constantly monitoring the wider context and any potential effects on the parameters most closely linked to the Group's operations – such as interest rates and inflation trends – in order to take swift action, as far as possible, to safeguard the Group's assets and, more generally, its interests.

2026 Budget Law – Extraordinary levy on the 'extra-profit reserve'

Article 26 of Decree-Law No. 104 of 10 August 2023 – converted, with amendments, by Law No. 136 of 9 October 2023 – had introduced an extraordinary tax for the 2023 financial year commensurate with the increase in banks' net interest income recorded over the period 2021–2023, with a maximum limit calculated on the basis of the total risk exposure on an individual basis as at the end of the 2022 financial year. In this context, however, the Act had introduced the option, in lieu of paying the tax, to allocate, upon approval of the 2023 financial statements, an amount not less than 2.5 times the amount of the tax itself to a non-distributable reserve.

The Act also specified that, in the event of this reserve being used for the distribution of profits, the bank would have to pay the amount due for the tax, plus any interest accrued in the meantime, within 30 days of the approval of the relevant resolution authorising its use.

With regard to the extraordinary tax in question, amounting to €4,779,150 (equal to the amount of the extraordinary tax payable under the aforementioned Decree-Law), the Annual General Meeting held on 20 April 2024, upon approving the financial statements for the 2023 financial year, had resolved to allocate a portion of the profit for the year to the creation of a non-distributable reserve amounting to 2.5 times the extraordinary tax introduced by Article 26 of Decree-Law No. 104 of 10 August 2023

No. 104 (an extraordinary tax calculated on the increase in net interest income), for a total amount of €11,947,876.

The 2026 Budget Law (Law No. 199 of 30 December 2025) amended the rules governing the aforementioned extraordinary tax, introducing a legal presumption of priority distribution of the reserve in question in the event of the distribution of net profit for the financial year (including interim dividends) and/or reserves from 1 January 2029.

In order to avoid this effect, transitional provisions have been introduced, applicable until the financial year ending 31 December 2028, which allow the aforementioned reserve to be released by paying an extraordinary contribution amounting to 27.5 per cent of the reserve's value as at 31 December 2025, if the option is exercised in 2026, or 33 per cent of the amount of the reserve existing as at 31 December 2026 or 31 December 2027, if the option is exercised in 2027 or 2028 respectively. From the financial year commencing on 1 January 2029, the distribution of profits or reserves in the absence of payment of the extraordinary contribution will result in the application of tax at a rate of 40 per cent on the '2023 Reserve', as a consequence of the application of the aforementioned legal presumption.

The Board of Directors, at its meeting on 30 January 2026, confirmed its intention to exercise the exemption option by paying the extraordinary contribution amounting to 27.5 per cent of the reserve existing as at 31 December 2025, totalling €3,285,666, to be paid by 30 June 2026.

From an accounting perspective, as it applies to the reserve for tax on banks' extraordinary profits, regardless of the nature of the items that contributed to its formation and the method by which it was established, the extraordinary contribution constitutes a new liability that is not linked to the original reserve. More specifically, the extraordinary contribution has specific characteristics that place it outside the scope of existing IAS/IFRS standards. In particular, the contribution has been deemed to fall outside the scope of both IFRIC 21 and IAS 12:

(i) with regard to IFRIC 21, it should be noted that this standard applies to contributions defined as outflows of resources imposed by governments. The extraordinary contribution, for the periods 2025–2026, is optional and therefore does not meet this definition (ii) with regard to IAS 12, it should be noted that this is not an income tax as it is not levied on income. On the basis of the framework outlined above, a specific accounting policy has been established by applying, by analogy, the requirements of the IAS/IFRS standards dealing with similar issues; in this regard, it has been noted that IAS 12 requires the tax effects arising from transactions or events recognised in equity to be recognised in equity.

On the basis of the above, the liability relating to the obligation to pay the extraordinary contribution of 27.50% – amounting to €3,285,666 – was recognised in the 2025 financial statements as a contra entry to the reduction in the capital reserve established in 2023 for €11,947,876, designated 'Tax Deferral Reserve under Decree-Law 104 of 10 August 2023' in line with the decision taken by the Bank's Board of Directors to opt for the option provided for by the Act.

As a result of this recognition, shareholders' equity is reduced by the amount of the contribution to be paid by the Bank during 2026.

Option for the national consolidated financial statements

From the 2017 financial year onwards, Ente Cambiano has exercised the option to adopt the “National Tax Consolidation” regime, governed by Articles 117–129 of the TUIR and introduced by Legislative Decree No. 344/2003, as subsequently amended. This consists of an optional scheme, binding for three years and automatically renewable, under which participating subsidiary companies transfer, for tax purposes only, their operating results to the parent company, for which a single taxable income or a single tax loss is determined.

The effects of tax consolidation are reflected in the item “Other assets – receivables from Group companies for tax consolidation” as the accounting counterpart to the item “Current tax liabilities” for IRES provisions made by the consolidated companies, gross of withholding taxes and advance payments made.

The item “Other liabilities – payables to Group companies for tax consolidation” represents the offsetting entry to the item “Current tax assets” for IRES advance payments made and withholding tax incurred by the companies included in the tax consolidation that have transferred these amounts to the consolidating entity.

A.2 – Section on the main financial statement items

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

Classification criteria

This item comprises all financial assets other than those classified in the portfolio of financial assets measured at fair value through other 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, comprising debt securities, equity securities, loans, units in UCITS and the positive value of derivative contracts, acquired and held with the intention of reselling them on the market in the near future in order to realise a trading profit. This category also includes equity instruments that do not qualify as investments in a subsidiary, a joint venture or an associate, and for which the option to designate them at fair value through other comprehensive income was not exercised at initial recognition;
- assets designated at fair value, such as debt securities or loans, defined as such at the time of initial recognition where the conditions set out in IFRS 9 are met;
- other financial assets that must be measured at fair value, comprising debt securities, loans and units in UCITS, which do not meet the requirements for classification at amortised cost or at fair value through other comprehensive income. Essentially, these are financial assets whose contractual terms do not allow them to pass the so-called ‘SPPI test’ or which are not held within a ‘Held to Collect’ or ‘Held to Collect and Sell’ business model.

The general rules on the reclassification of financial assets set out in IFRS 9 do not provide for reclassification to other categories of financial assets unless the entity changes its business model for managing financial assets. In such cases – which are, however, infrequent – financial assets may be reclassified from this category into one of the other two categories provided for by the standard (financial assets measured at amortised cost or financial assets measured at fair value through other comprehensive income), and the transfer value will be the fair value at the time of reclassification. The effects of the reclassification will apply prospectively from the date of reclassification. In this case, the effective interest rate of the reclassified financial asset is determined on the basis of its fair value at the date of reclassification, and that date is considered the initial recognition date for allocation to the various stages of credit risk for the purposes of impairment.

For further information on the classification criteria for financial instruments, please refer to the following chapter “Classification criteria for financial assets”.

Recognition criteria

Financial assets are initially recognised on the settlement date for debt and equity securities, on the disbursement date for loans, and on 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 or gains, incurred in advance and which do not represent recoverable expenses (such as brokerage commissions, placement fees, stamp duty, etc.), are instead recognised in the profit and loss account.

Valuation criteria

Following initial recognition, financial assets measured at fair value through profit or loss are measured at fair value. The effects of applying this measurement policy are recognised in the profit and loss account. Market quotations are used to determine the fair value of financial instruments listed on an active market. In the absence of an active market, commonly accepted estimation methods and valuation models are used, which take into account all risk factors relating to the instruments. For equity securities and derivatives relating to equity securities that are not quoted on an active market, the cost method is used as an estimate of fair value only on a residual basis and limited to a few circumstances.

Derecognition criteria

Financial assets are derecognised when the contractual rights to the cash flows arising from the assets expire or when the financial asset is sold, thereby transferring substantially all the risks and rewards 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 in ‘other comprehensive income’ under item 80 ‘Net trading income’ in the income statement, including those relating to derivatives, whilst gains and losses arising from changes in the fair value of financial assets designated at fair value

and financial assets that must be measured at fair value are recognised in other comprehensive income under item 110, including the results of the fair value measurements of such assets.

2. Financial assets measured at fair value through other comprehensive income (FVOCI)

Classification criteria

This category comprises debt securities and loans that meet two requirements: they are held in accordance with a 'Held to Collect and Sell' business model, and their contractual terms provide for cash flows consisting solely of principal and interest payments, thereby passing the so-called 'SPPI test'. For a financial asset to be classified in this category or in the category of financial assets at amortised cost (see the following point), in addition to meeting the business model for which it was acquired, the contractual terms of the asset must provide, on specified dates, for cash flows consisting solely of payments of principal and interest on the principal amount to be repaid ("Solely Payment of Principal and Interest" – SPPI). The SPPI test must be carried out at the time the asset is recognised in the balance sheet; however, following initial recognition and for as long as the asset remains recognised in the balance sheet, it is no longer subject to further assessments for the purposes of the SPPI test. This item also includes equity instruments not held for trading for which, at the time of initial recognition, the option to designate them at fair value through other comprehensive income was exercised.

For further information on the classification criteria for financial instruments, please refer to the following chapter, "Classification criteria for financial assets".

Recognition criteria

Financial assets measured at fair value through other comprehensive income are recognised in the balance sheet at their fair value, which normally corresponds to the consideration paid. Any directly attributable transaction costs or gains, incurred in advance and not representing recoverable expenses, are capitalised into the initial value. **Measurement criteria**

Following initial recognition, assets classified at fair value through other comprehensive income continue to be measured at fair value. For equity securities included in this category that are not quoted on an active market, the cost method is used as an estimate of fair value only on a residual basis and limited to a few circumstances.

Derecognition criteria

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

Criteria for recognising income components

With regard to debt securities, gains and losses are recognised in equity reserves until the financial asset is derecognised, except for the effects of impairment and any exchange rate effects, which are recognised in the profit and loss account. Upon disposal, the cumulative gain or loss is reclassified to the profit and loss account under item 100 'Gains/losses on disposal or repurchase'. Impairment losses are recorded in item 130 of the profit and loss account 'Net /reversals of impairment for credit risk'. Increases in value due to the passage of time are recognised in the profit and loss account as interest income. Equity instruments for which the option to classify them in this category has been exercised are measured at fair value (or, on a residual basis, at cost if fair value cannot be determined), and the amounts recognised in equity will not be transferred to the profit and loss account, even in the event of their disposal. As required by IFRS 9, the only component of these instruments recognised in the profit and loss account is the related dividends.

3. Financial assets measured at amortised cost

Classification criteria

This category includes financial assets that meet both of the following conditions:

- the financial asset is held under a business model whose objective is achieved through the collection of contractually agreed cash flows (the 'HTC' business model);
- the contractual terms of the financial asset provide, on specified dates, for cash flows consisting solely of payments of principal and interest on the principal amount to be repaid (the so-called 'SPPI test' is passed).

More specifically, the following are recognised under this heading:

- loans to 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.

In accordance with the general rules set out in IFRS 9 regarding the reclassification of financial assets, reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets. In such cases, which are expected to be highly infrequent, financial assets may be reclassified from the category measured at amortised cost to one of the other two categories provided for under IFRS 9: 'Financial assets measured at fair value through other comprehensive income' or 'Financial assets measured at fair value through profit or loss'. The transfer value is the fair value at the time of reclassification, and the effects of the reclassification apply prospectively from the date of reclassification. Gains or losses arising from the difference between the amortised cost of the financial asset and its fair value are recognised in the profit and loss account in the case of reclassification to "Financial assets at fair value through profit or loss" and in equity, within the specific valuation reserve, in the case of reclassification to "Financial assets at fair value through

comprehensive income'. For further information on the classification criteria for financial instruments, please refer to the following paragraph 'Classification criteria for financial assets'.

Recognition criteria

The initial recognition of a financial asset takes place on the settlement date for 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 gains directly attributable to the instrument itself.

Measurement criteria

Following initial recognition, the financial assets in question are measured at amortised cost, using the effective interest rate method. Accordingly, the asset is recognised in the balance sheet at an amount equal to its initial carrying amount less principal repayments, plus or minus the cumulative amortisation (calculated using the effective interest rate method referred to above) of the difference between that initial amount and the amount at maturity (typically attributable to costs/income charged directly to the individual asset) and adjusted for any provision for losses. The effective interest rate is determined by calculating the rate that equates the present value of the asset's future cash flows, comprising principal and interest, to the amount disbursed, including costs/income attributable to the financial asset itself. This method of accounting, based on financial principles, allows the economic effect of costs and income directly attributable to a financial asset to be spread over its expected remaining life. The amortised cost method is not used for assets carried at historical cost where their short duration means that the effect of applying the discounting approach is considered negligible, nor for those without a defined maturity, nor for revocable receivables. The measurement criteria are closely linked to the classification of the instruments in question into one of the three credit risk stages set out in IFRS 9, the last of which (Stage 3) comprises impaired financial assets and the remaining stages (Stages 1 and 2) comprise performing financial assets. With regard to the accounting treatment of the aforementioned valuation effects, value adjustments relating to this type of asset are recognised in the income statement:

- upon initial recognition, in an amount equal to the 12-month expected loss;
- upon subsequent measurement of the asset, where credit risk has not increased significantly since initial recognition, in relation to changes in the amount of value adjustments for expected losses over the following twelve months;
- upon subsequent valuation of the asset, where credit risk has increased significantly compared with the initial recognition, in relation to the recognition of value adjustments for expected losses relating to the entire remaining contractual life of the asset;
- at the time of the subsequent assessment of the asset, where a significant increase in credit risk has occurred compared with the initial recognition, the 'significance' of that increase has subsequently ceased to apply, in relation to the adjustment of cumulative value adjustments to take account of the transition from an expected loss over the entire remaining life of the instrument ('life-time') to a 12-month loss. The financial assets in question, where they are performing, are subject to a valuation aimed at determining the value adjustments to be recognised in the financial statements, at the level of individual credit relationship or security, based on the parameters of probability of default (PD), loss given default (LGD) and exposure at default (EAD) specifically set out in IFRS 9. If, in addition to a significant increase in credit risk, there is also objective evidence of impairment, the amount of the loss is measured as the difference between the carrying amount of the asset – classified as 'impaired', in the same way as all other exposures to the same counterparty – and the present value of the estimated future cash flows, discounted at the original effective interest rate. The amount of the loss, to be recognised in the profit and loss account, is determined on the basis of an analytical assessment or calculated by homogeneous categories and, therefore, allocated analytically to each position, taking into account forward-looking information and possible alternative recovery scenarios.

Impaired assets include financial instruments that have been classified as non-performing, in probable default or past due/overdrawn for more than ninety days in accordance with the Bank of Italy's rules, which are consistent with IAS/IFRS and European supervisory regulations. The projected cash flows take into account the expected recovery times and the estimated realisable value of any collateral. Where the reasons for the impairment are removed following an event occurring after the impairment loss was recognised, reversals of impairment losses are recognised in the profit and loss account. The reversal of an impairment loss may not exceed the amortised cost that the financial instrument would have had in the absence of previous adjustments. Reversals of impairment losses arising from the passage of time are recognised in net interest income. In some cases, during the life of the financial assets in question – and, in particular, receivables – the original contractual terms are subsequently amended by agreement between the contracting parties. When, during the life of an instrument, the contractual terms are amended, it is necessary to assess 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 recognised. In general, amendments to a financial asset lead to its derecognition and the recognition of a new asset when they are 'substantial'. The (qualitative and quantitative) analyses aimed at determining the 'materiality' of contractual amendments made to a financial asset must therefore take into account the purposes for which the amendments were made, for example, renegotiations for commercial reasons and concessions due to the counterparty's financial difficulties. The former, aimed at 'retaining' the customer, involve a debtor who is not in financial difficulty. This category includes all renegotiations aimed at bringing the cost of the debt into line with market conditions. Such transactions involve a change to the original terms of the contract – usually requested by the debtor – relating to aspects connected with the cost of the debt, resulting in an economic benefit for the debtor. Generally speaking, it is considered that whenever a bank carries out a renegotiation in order to avoid losing a customer, such renegotiation should be regarded as substantial because, were it not carried out, the customer might obtain financing from another intermediary and the bank would suffer a reduction in its projected future revenues. The second category, carried out for 'credit risk reasons' (forbearance measures), are

attributable to the bank's attempt to maximise the recovery of cash flows from the original loan. The underlying risks and benefits, following the modifications, are not, as a rule, substantially transferred and, consequently, the accounting treatment that provides the most relevant information for the reader of the financial statements is that carried out using 'modification accounting', which involves recognising in the profit and loss account the difference between the carrying amount and the present value of the modified cash flows discounted at the original interest rate, rather than through derecognition.

Derecognition criteria

Financial assets are derecognised from the balance sheet only if the disposal has resulted in the substantial transfer of all risks and rewards associated with those assets. Conversely, if a significant portion of the risks and rewards relating to the disposed financial assets has been retained, these assets continue to be recognised in the balance sheet, even if legal ownership of the assets has been effectively transferred. Where it is not possible to ascertain the substantial transfer of risks and rewards, financial assets are derecognised from the balance sheet if no control over them has been retained. Otherwise, the retention, even in part, of such control results in the assets being retained on the balance sheet to the extent of the residual involvement, measured by exposure to changes in the value of the transferred assets and to 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).

The IRR, and therefore the amortised cost, are determined by taking into account any discounts or premiums on acquisition, as well as costs or fees that form an integral part of the amortised cost.

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

Value adjustments or reversals arising from the Expected Credit Losses model adopted are recognised in the income statement under the heading "Net value adjustments/reversals for credit risk".

Amounts arising from adjustments made to the carrying amounts of financial assets to reflect changes to contractual cash flows that do not give rise to derecognition are recognised in the income statement under the heading 'Gains/losses from contractual changes without derecognition'.

4. Hedging transactions

The Cambiano Banking Group makes use of the option, provided for upon the introduction of IFRS 9, to continue to apply in full the provisions of IAS 39 on 'hedge accounting' for all types of hedges.

Classification criteria

Hedging transactions are designed to offset potential losses attributable to a specific risk and recognisable on a specific item or group of items, should that particular risk actually materialise. The types of hedges used are as follows:

- fair value hedging aims to hedge exposure to changes in the fair value of assets and liabilities recognised in the balance sheet, or portions thereof, groups of assets/liabilities, irrevocable commitments and portfolios of financial assets and liabilities, as permitted by IAS 39 as adopted by the European Commission. Generic fair value hedges ("macro hedges") are intended to reduce 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 specific risks associated with balance sheet items;
- a foreign currency investment hedge refers to the hedging of risks associated with an investment in a foreign entity denominated in a foreign currency.

Recognition criteria

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

Measurement criteria

Hedging derivatives are measured at fair value. In the case of fair value hedging, the change in the fair value of the hedged item is offset by the change in the fair value of the hedging instrument. This offset is recognised by recording changes in value in the profit and loss account, relating to both the hedged item and the hedging instrument. Any difference, which represents the partial ineffectiveness of the hedge, consequently constitutes the net financial effect of the hedge. In the case of generic fair value hedges ("macro hedges"), changes in fair value relating to the hedged risk of the assets and liabilities being hedged are recognised in the balance sheet under item 60, "Value adjustment of financial assets subject to generic hedging", or item 50, "Value adjustment of financial liabilities subject to generic hedging", respectively; 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 recognised in the profit and loss account only when, in relation to the hedged item, a change in cash flows arises that is to be offset or if the hedge is ineffective; hedges of a foreign currency investment are accounted for in the same way as cash flow hedges. A derivative instrument is designated as a hedge if there is formal documentation of the relationship between the hedged item and the hedging instrument and if it is effective at the inception of the hedge and, prospectively, throughout the life of the hedge. The effectiveness of the hedge depends on the extent to which changes in the fair value of the hedged item or its expected cash flows are offset by those of the hedging instrument. Therefore, effectiveness is assessed by comparing these changes, taking into account the entity's objective at the time the hedge was established. Effectiveness is achieved when changes in fair value (or cash flows) of the hedging financial instrument almost entirely offset – that is, within the established range of 80–125 per cent – the changes in the hedged item, in respect of the risk element being hedged. Effectiveness is assessed at each balance sheet date. In the event of the discontinuation of a general fair value hedge relationship, the

cumulative revaluations/write-downs recorded under 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 profit and loss account under interest income or interest expense over the remaining term of the original hedging relationships, subject to verification that the relevant conditions continue to be met.

5. Equity investments

Classification criteria

The equity investments portfolio comprises shares in respect of which a situation of control, joint control or significant influence exists. Control is presumed to exist when more than 50 per cent of the voting rights exercisable at general meetings are held, either directly or indirectly. Significant influence is exercised when the investor holds, either directly or indirectly, a share of 20 per cent or more of the voting rights. Significant influence may also be determined where the shareholding is less than 20%, provided the following circumstances apply: a) representation on the board of directors; b) involvement in the decision-making process regarding the determination of dividends; c) the occurrence of significant transactions between the investor and the investee. Joint control exists when voting rights and control over the investee are shared with other parties.

Recognition criteria

This item comprises equity interests held in subsidiaries, jointly controlled entities or entities subject to significant influence; upon initial recognition, such equity interests are recognised at acquisition cost, plus directly attributable costs.

Measurement criteria

Investments are measured on a continuous basis using the ‘equity method’. Investments in subsidiaries, jointly controlled entities or entities subject to significant influence are carried at cost, and the carrying amount is increased or decreased to recognise the parent company’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 following changes in the investor’s shareholding in the investee, arising from changes in the investee’s equity.

Derecognition criteria

Financial assets are derecognised when the contractual rights to the cash flows arising from those assets expire, or when the 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 and generated after the acquisition date are allocated to item 220 of the profit and loss account, ‘Gains/losses on investments’. The results of the ‘equity method’ valuation are recognised under item 220 of the profit and loss account, ‘Gains/losses on investments’, when they have been recognised in the investee’s profit and loss account; where they have not been recognised in the investee’s profit and loss account, they are allocated to item 110 of the liabilities, ‘Valuation reserves’. Gains/losses arising from the sale of investments are recognised under item 220 of the income statement, ‘Gains/losses on investments’.

6. Tangible assets

Recognition criteria

Tangible assets, whether operational or non-operational, are initially recognised at a value equal to their cost, including all costs directly related to bringing the asset into operation and non-recoverable purchase taxes and duties. This value is subsequently increased by expenditure incurred from which future benefits are expected to be derived. The costs of routine maintenance carried out on the asset are recognised in the profit and loss account as and when they are incurred.

Valuation criteria

Following initial recognition, property, plant and equipment are carried in the balance sheet at cost, net of accumulated depreciation and any accumulated impairment losses. Property, plant and equipment are systematically depreciated in each financial year on the basis of their useful lives, using the straight-line method. The following are not subject to depreciation:

- land, whether acquired separately or included in the value of buildings, as it is considered to have an indefinite useful life. Where its value is included in the value of the building, it is treated as a separable asset from the building; the allocation between the value of the land and the value of the building is determined on the basis of valuations by independent valuers, solely for properties held as freehold;
- works of art, whose useful life cannot be estimated and whose value is generally expected to increase over time.

The depreciation process begins when the asset is available for use.

Tangible assets acquired under finance leases

IFRS 16 is based on the concept of the transfer of the right to use the leased asset: the contract is therefore a lease, or contains a lease, if, in exchange for consideration, it confers the right to control the use of a specified asset for a period of time. This concept broadens the scope of the standard, which has been adopted for the accounting treatment of rental, hire, lease and similar contracts. The Standard requires lessees to move beyond the dual accounting framework of finance leases and operating leases by defining a single accounting model that requires the recognition of:

- a Right-of-Use asset (RoU) on the balance sheet;
- a Lease Liability (LL) on the liabilities side of the balance sheet;
- in the income statement, the amortisation of the right-of-use asset and the finance costs calculated on the lease liability.

On 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 determined easily, or alternatively at the Group's marginal borrowing rate. On initial recognition, the right-of-use asset is equal to the initial measurement of the lease liability, plus lease payments due and made on or before the commencement date, net of lease incentives received, direct initial costs incurred by the lessee and the estimated costs that the lessee will incur for the dismantling and removal of the asset or its restoration to the condition specified in the contract. The right-of-use asset and the lease liability must be recognised under property, plant and equipment and liabilities at amortised cost.

Derecognition criteria

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

Criteria for recognising income components

Depreciation is recognised in the profit and loss account under the heading 'Net write-downs/write-backs on tangible assets'. In the first financial year, depreciation is recognised in proportion to the period during which the asset is actually available for use. 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 profit and loss account on the same date on which they are derecognised. The income statement item "Gains (Losses) on the disposal of investments" recognises the net balance, whether positive or negative, of gains and losses arising from the disposal of tangible assets.

7. Intangible assets

Classification criteria

This item comprises non-monetary assets without physical substance held for use over a period of several years or indefinitely, which meet the following criteria:

- identifiability;
- the company has control over them;
- it is probable that the expected future economic benefits attributable to the asset will flow to the company;
- the cost of the asset can be measured reliably.

If any of the above characteristics is not met, the expenditure incurred to acquire or generate the asset internally is recognised as a cost in the financial year in which it was incurred. Intangible assets include, in particular, application software with a useful life of more than one year, and other identifiable assets arising from legal or contractual rights. Expenditure on third-party assets (rented branches) has been recorded under asset heading 120 'Other assets'; the related amortisation has been spread over the term of the lease agreements. In the context of a business combination, IFRS 3 stipulates that, at the date of acquisition of control, the acquirer must classify or designate the acquired intangible assets. As regards the definition of intangible assets, the standard identifies intangible assets acquired in a business combination as identifiable non-monetary assets without physical substance. Goodwill represents the positive difference between the cost of acquisition and the fair value of the assets and liabilities acquired as part of a business combination.

Recognition criteria

Intangible assets are recognised at cost, adjusted for any incidental costs 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. An impairment test is carried out annually, or whenever there is evidence of impairment, to assess the adequacy of the carrying amount of goodwill in accordance with the provisions of IAS 36. The amount of any impairment loss is determined on the basis of the difference between the carrying amount of the goodwill and its recoverable amount, whichever is lower. This recoverable amount is 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 profit and loss account under the heading 'Impairment losses on goodwill'. An impairment loss recognised on goodwill cannot be reversed in a subsequent financial year.

Measurement criteria

Following initial recognition, intangible assets with a 'definite' useful life are carried at cost, net of the aggregate amount of accumulated amortisation and impairment losses. Amortisation begins when the asset is available for use, i.e. when it is in the right place and in the right condition to operate as intended, and ceases when the asset is derecognised. Amortisation is calculated on a straight-line basis to reflect the multi-year use of the assets in line with their estimated useful life. At each balance sheet date, where there is evidence of impairment, the asset's recoverable amount is estimated. The amount of the impairment loss, recognised in the profit and loss account, is equal to the difference between the asset's carrying amount and its recoverable amount.

Criteria for derecognition

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

Criteria for recognising income components

Both amortisation and any impairment losses or reversals on intangible assets other than goodwill are recognised in the profit and loss account under the heading "Net impairment losses and reversals on intangible assets". Impairment losses on goodwill are recognised under the heading "Impairment losses on goodwill". Gains and losses arising from the disposal or write-off of an intangible asset are calculated as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit and loss account. Under the heading "Gains (Losses) on

disposal of investments”, the net balance, whether positive or negative, of gains and losses on the realisation of investments is recognised.

8. Other assets

Other assets mainly comprise items awaiting classification and items not attributable to other balance sheet headings, including receivables arising from the supply of non-financial goods and services, tax items other than those recognised under their own headings, and accrued income and prepaid expenses other than those to be capitalised against the relevant financial assets. The Group has included under “Other assets” tax credits for tax bonuses acquired following their disposal by direct beneficiaries or previous purchasers in connection with the “Cura Italia” and “Rilancio” decrees (see disclosure under “Other information”).

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

This category comprises non-current assets held for sale. These assets are measured at the lower of their carrying amount and fair value, net of costs to sell; where they have been subject to depreciation, this ceases. As these are discontinued operations, the balance sheet items and the related income statement results are presented separately in the balance sheet and the income statement. As at the balance sheet date, the Group does not hold any such assets.

10. Current and deferred taxation

The Group calculates current, deferred and deferred tax assets on income tax based on the tax rates in force, and these are recognised in the profit and loss account, with the exception of those relating to items charged or credited directly to equity. The provision for income tax is determined on the basis of an estimate of the current, deferred and deferred tax liabilities. Deferred tax assets and liabilities are determined on the basis of temporary differences – without any time limits – between the value attributed to an asset or liability under statutory accounting standards and the corresponding values adopted for tax purposes. Deferred tax assets are recognised in the financial statements to the extent that it is probable they will be recovered, assessed on the basis of the ability of the company concerned or its parent company – taking into account the effect of exercising the option relating to tax consolidation – to generate positive taxable income on a continuous basis. Deferred tax liabilities are recognised in the balance sheet because the level of available reserves already subject to taxation provides reasonable grounds to believe that no proactive transactions will be carried out that would result in their taxation. Deferred tax assets and liabilities are recognised in the balance sheet as open balances, without offsetting, under the headings “Tax assets” and “Tax liabilities” respectively. Deferred tax assets and liabilities are systematically revalued to take account of any changes in tax legislation or rates.

11. Provisions for risks and charges

Provisions for risks and charges relating to commitments and guarantees issued

This sub-item of provisions for risks and charges includes credit risk provisions recognised in respect of commitments to disburse funds and guarantees issued that fall within the scope of the impairment rules under IFRS 9. For such cases, in principle, the same methods are adopted for allocation across the three stages of credit risk and for calculating the expected loss as those set out in relation to financial assets measured at amortised cost or at fair value through other comprehensive income. The aggregate also includes provisions for risks and charges set aside against other types of commitments and guarantees issued which, due to their specific characteristics, do not fall within the aforementioned scope of application of impairment under IFRS 9.

Other provisions for risks and charges

Provisions relating to legal obligations or those connected with employment relationships or litigation, including tax disputes, arising from a past event for which it is probable that an outflow of economic resources will be required to settle such obligations, provided that a reliable estimate of the relevant amount can be made. Consequently, a provision is recognised if and only if:

- there is a present obligation (legal or constructive) arising from a past event;
- it is probable that the settlement of the obligation will require the use of resources capable of generating economic benefits;
- a reliable estimate can be made of the amount arising from the settlement of the obligation.

The amount recognised as a provision represents the best estimate of the expenditure required to settle the obligation existing at the balance sheet date and reflects the risks and uncertainties that inevitably characterise a variety of facts and circumstances. The provision is reversed when it becomes unlikely that resources capable of generating economic benefits will be required to settle the obligation, or when the obligation is extinguished. This item also includes long-term employee benefits, the costs of which are determined using the same actuarial criteria as those described for pension funds. Actuarial gains and losses are all recognised immediately in the profit and loss account.

12. Financial liabilities measured at amortised cost

Classification criteria

Bank borrowings, borrowings from customers, securities in issue and other financial liabilities comprise the various forms of interbank and customer funding, as well as finance lease liabilities. In particular, the sub-item “Securities in issue” comprises securities issued (including subordinated loans, interest-bearing notes and certificates of deposit), net of securities repurchased.

Recognition criteria

These financial liabilities are initially recognised upon receipt of the funds raised or upon the issue of debt securities. Initial recognition is based on the fair value of the liabilities, which is usually equal to the amount received or the issue price, plus any additional costs or income directly attributable to the individual funding or issuance transaction and not reimbursed by the creditor. Internal administrative costs are excluded. The fair value of any financial liabilities issued on terms below market conditions, in the case of listed securities, is subject to a specific valuation, and the difference from the market value is recognised directly in the profit and loss account. With regard to lease liabilities, at the commencement of the lease term, the Group measures the financial liability on the basis of the present value of future lease payments due. The payments are discounted using the implicit interest rate of the lease.

Measurement criteria

Following initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method. An exception is made for short-term liabilities, where the time dimension is negligible; these remain recognised at the amount received, and any costs charged are allocated to the profit and loss account on a straight-line basis over the contractual term of the liability.

Derecognition criteria

Financial liabilities are derecognised from the balance sheet when they have matured or been settled. They are also derecognised in the event of the repurchase of previously issued securities. The difference between the carrying amount of the liability and the amount paid to repurchase it is recognised in the profit and loss account. The resale of own securities on the market following their repurchase is treated as a new issue, recognised at the new issue price, with no effect on the profit and loss account.

Criteria for recognising income components

Negative income components represented by interest expense are recognised on an accrual basis under the relevant interest items in the profit and loss account. Any difference between the repurchase value of own-issued securities and the corresponding carrying amount of the liability is recognised in the profit and loss account under the item 'Gains/losses on disposal or repurchase'.

13. Financial liabilities held for trading

Recognition criteria

These financial instruments are recognised on the subscription or issue date at a value equal to the fair value of the instrument, without taking into account any transaction costs or gains directly attributable to the instruments themselves. This category of liabilities includes trading derivative contracts with a negative fair value.

Measurement criteria

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

Derecognition Criteria

Financial liabilities held for trading are derecognised from the balance sheet when the contractual rights to the related cash flows expire or when the financial liability is sold with a substantial transfer of all the risks and rewards associated with ownership of the liability.

14. Financial liabilities designated at fair value

Financial liabilities measured in this way include those for which the so-called fair value option applies. The Group has not designated any financial liabilities measured at fair value.

15. Foreign currency transactions

Classification criteria

Foreign currency transactions comprise all assets and liabilities denominated in currencies other than the euro.

Recognition criteria

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

Valuation criteria

At the end of the financial year, monetary assets and liabilities denominated in foreign currencies are translated using the spot exchange rate prevailing on that date.

Recognition criteria for income components

Exchange rate differences on foreign currency transactions are recognised under item 80 of the income statement, "Net profit (or loss) from trading activities".

Further information

Treasury shares

Any treasury shares held are deducted from equity. Similarly, their original cost and any gains or losses arising from their subsequent sale are recognised as movements in equity.

Accruals and deferrals

Accruals and deferrals, which relate to income and expenses for the financial year arising from assets and liabilities, are recognised as adjustments to the assets and liabilities to which they relate. Where there are no corresponding transactions to which they can be attributed, they are classified under "Other assets" or "Other liabilities".

Expenditure on improvements to third-party property

The costs of refurbishing properties not owned by the company are capitalised, given that, for the duration of the lease, the user company has control over the properties and can derive future economic benefits from them. These costs, classified under 'Other assets', are amortised over a period not exceeding the term of the lease.

Staff severance pay

Employee severance pay has been recognised on the basis of its actuarial value, calculated annually by an independent actuary. For the purposes of discounting, the projected unit credit method is used, which takes into account the projection of future payments based on historical and statistical analysis and demographic trends; the discount rate is a market interest rate. Contributions paid in each financial year are treated as separate units, recognised and measured individually for the purposes of determining the final liability. Following the reform of supplementary pension schemes under Legislative Decree No. 252 of 5 December 2005, the portions of severance pay accrued up to 31 December 2006 remain with the company, whilst portions accrued thereafter must, at the employee's discretion, be allocated to supplementary pension schemes or transferred to INPS. From the 2012 financial year onwards, changes in the actuarial components of severance pay are recognised in equity and are therefore shown in the statement of comprehensive income.

Issue of Additional Tier 1

As indicated in the section on 'Capital adequacy and regulatory ratios' of the Management Report, the AT1 instruments issued by the Parent Company as at 31 December 2025 amount to 40,000,000.00. The Group did not issue any Additional Tier 1 instruments during the 2025 financial year. These are, specifically, subordinated instruments classified as Additional Tier 1 capital, in accordance with Regulation No. 575 of 2013 (CRR).

For details regarding this type of transaction, please refer to Part A of the Parent Company's Notes to the Financial Statements.

Income Statement

Revenue is measured at the fair value of the consideration received or due and is recognised when future benefits are received and such benefits can be reliably measured. Costs are recognised in the accounts when incurred. Costs that cannot be matched to revenue are recognised immediately in the profit and loss account. In particular:

- costs and revenue directly attributable to financial instruments measured at amortised cost, which can be determined at the outset regardless of when they are settled, are recognised in the income statement by the application of the effective interest rate;
- dividends are recognised in the profit and loss account when they are received;
- revenue arising from the brokerage of financial instruments held for trading, determined by the difference between the transaction price and the fair value of the instrument, is recognised in the profit and loss account at the time of the transaction if the fair value can be determined by reference to recent observable parameters or transactions on the same market on which the instrument is traded;
- other commissions are recognised on an accrual basis.

Costs directly attributable to financial instruments measured at amortised cost and determinable from the outset, regardless of when they are settled, are recognised in the profit and loss account by applying the effective interest rate; for details on the calculation of this rate, please refer to the section "Receivables and Loans". Impairment losses are recognised in the profit and loss account in the financial year in which they are identified. Any contractual late-payment interest is recognised in the profit and loss account only upon actual receipt. Impairment losses are recognised in the profit and loss account in the financial year in which they are identified.

Criteria for the classification of financial assets

The classification of financial assets into the three categories set out in 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 cash flows of the financial assets (or SPPI Test). The classification of financial assets is determined by the combined application of the two criteria mentioned above, as outlined below:

- Financial assets measured at amortised cost: assets that pass the SPPI test and fall within the HTC business model;
- Financial assets measured at fair value through other comprehensive income (FVOCI): assets that pass the SPPI test and fall within the HTCS business model;
- Financial assets measured at fair value through profit or loss (FVTPL): this is a residual category comprising financial instruments that cannot be classified into the preceding categories based on the results of the business model test or the test on the characteristics of contractual cash flows (SPPI test not passed). For a financial asset to be classified at amortised cost or at FVOCI, in addition to the business model analysis, the contractual terms of the asset must provide, on specified dates, for cash flows consisting solely of payments of principal and interest on the principal amount to be repaid ("solely payment of principal and interest" – SPPI). This analysis must be carried out, in particular, for loans and debt securities. The SPPI test must be performed on each individual financial instrument at the time of recognition in the financial statements. Following initial recognition, and for as long as it remains recognised in the financial statements, the asset is no longer subject to further assessments for the purposes of the SPPI test. Where a financial instrument is derecognised and a new financial asset is recognised, the SPPI test must be carried out on the new asset. For the purposes of applying the SPPI test, IFRS 9 provides the following definitions:
 - Principal: this is the fair value of the financial asset at the time of initial recognition. This value may change during the life of the financial instrument, for example as a result of partial repayments of principal;

- Interest: this is the consideration for the time value of money and for the credit risk associated with the outstanding principal over a particular period of time. It may also include remuneration for other risks and basic costs associated with the lending activity, as well as a profit margin. When assessing whether the contractual cash flows of a financial asset financial asset can be classified as an SPPI, IFRS 9 refers to the general concept of a 'basic lending arrangement', which is independent of the legal form of the asset. Where contractual terms introduce exposure to risks or volatility in contractual cash flows that is inconsistent with the definition of a basic lending arrangement – such as exposure to changes in share prices or commodity prices – the contractual cash flows do not meet the definition of an SPPI. The application of the classification criterion based on contractual cash flows sometimes requires subjective judgement and, therefore, the establishment 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 on the financial asset is reset periodically, but the frequency of the reset or the frequency of coupon payments does not reflect the nature of the interest rate (for example, the interest rate is revised monthly on the basis of a one-year rate) or when the interest rate is reset periodically on the basis of an average of specific short- or medium-to-long-term rates, the entity must assess, using both quantitative and qualitative factors, whether the contractual cash flows still meet the definition of SPPI (the so-called benchmark cash flows test). If the test reveals that the contractual cash flows (undiscounted) are 'significantly different' from the cash flows (also undiscounted) of a benchmark instrument (i.e. without the adjusted time value element), the contractual cash flows cannot be considered to meet the definition of SPPI. For the purposes of carrying out the SPPI test, the Group uses the services provided by external information providers for its debt securities transactions. This approach, on the one hand, enables front-office staff dealing in debt securities to obtain an immediate result from the test, thereby streamlining procedures at the time of purchase; on the other hand, it allows the Group to utilise market assumptions shared by numerous market participants and audit firms. Conversely, for carrying out the SPPI test as part of the credit approval processes, a proprietary tool has been developed based on an internally developed methodology for decision trees.

Business model

With regard to the business model, IFRS 9 identifies three categories relating to the way in which the cash flows and sales of financial assets are managed:

- Hold to Collect (HTC): this is a business model whose objective is achieved by collecting the contractual cash flows from the financial assets included in the associated portfolios. The inclusion of a portfolio of financial assets into this business model does not necessarily preclude the possibility of selling the instruments, although it is necessary to consider the frequency, the value involved, the reasons for the sales and expectations regarding future sales;
- Hold to Collect and Sell (HTCS): this is a hybrid business model, the objective of which is achieved by collecting the contractual cash flows from the financial assets in the portfolio and also through sales activity, which is an integral part of the strategy. Both activities (contractual cash flows and sales) are essential to achieving the business model's objective. Consequently, sales are more frequent and significant than in an HTC business model and form an integral part of the strategies pursued;
- Others/Trading: this is a residual category comprising both financial assets held for trading purposes and financial assets managed under a business model not attributable to the previous categories (HTC and HTCS). In general, this classification applies to a portfolio of financial assets whose management and performance are assessed 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 group's senior management with the appropriate involvement of the business units. In essence, the business model:
 - reflects the way in which financial assets are managed to generate cash flows;
 - is defined by the group's senior management, with appropriate involvement of the business units;
 - must be observable by considering the manner in which financial assets are managed. In operational terms, the assessment and composition of the business model are carried out in line with the corporate organisation, the specialisation of business functions, the expected cascading risk model, and the allocation of delegated powers.

When assessing the business model, all relevant factors available at the date of the assessment are taken into account. The evidence referred to above includes strategy, risks and their management, reporting and sales figures. In the analysis of the business model, it is essential that the elements examined are consistent with one another and, in particular, consistent with the strategy being pursued. Evidence of activities not in line with the strategy must be analysed and adequately justified. For the HTC portfolio, the Group has defined eligibility thresholds for sales that do not affect the classification (frequent but not significant, either individually or in aggregate, or infrequent even if of a significant amount) and, at the same time, has established parameters to identify sales consistent with this business model as they are attributable to an increase in credit risk. More specifically, within an HTC business model, sales are permitted:

- in the event of an increase in credit risk – which can be determined for securities when there is a downgrade of a predetermined number of 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. Thresholds for frequency and significance have been defined to determine these aspects. With regard to the

determination of 'Risks' under the HTCS and Other/Trading business models, the provisions of the Internal Finance Regulations and the RAF apply in principle when conducting market risk controls.

Method for determining amortised cost

The amortised cost of a financial asset or liability is the value at which it was measured on initial recognition, net of principal repayments, increased or decreased by the total amortisation—calculated using the effective interest method—of the differences between the initial value and the value at maturity, and net of any impairment loss. The effective interest rate is the rate that equates the present value of a financial asset or liability to the contractual stream of future payments or receipts up to maturity or the next rate reset date. For fixed-rate or fixed-for-periods instruments, future cash flows are determined on the basis of the interest rate known over the life of the instrument. For variable-rate financial assets or liabilities, future cash flows are determined on the basis of the most recent known rate. At each repricing date, the amortisation schedule and the effective yield are recalculated over the entire useful life of the financial instrument, i.e. until the maturity date. The amortised cost method is applied to receivables, financial assets held to maturity, those available for sale, payables and shares in issue. Financial assets and liabilities traded on an arm's-length basis are initially recognised at their fair value, which normally corresponds to the amount paid or received, including transaction costs and directly attributable commissions. Transaction costs are defined as the marginal internal costs and income attributable to the initial recognition of the instrument and which cannot be recovered from customers. These ancillary components, which must be attributable to the individual asset or liability, affect the effective yield and cause the effective interest rate to differ from the contractual interest rate. Consequently, costs and income that relate indiscriminately to multiple transactions, and related components that may be recognised over the life of the financial instrument, are excluded. Furthermore, costs that the Bank would incur regardless of the transaction, such as administrative and stationery costs, etc., are not included in the calculation of the amortised cost.

Methods for determining impairment losses – Impairment losses on 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 employed valuation processes and methods characterised by elements of subjectivity and the estimation of certain variables, such as, principally, projected cash flows, expected recovery times and the estimated realisable value of collateral, where applicable, changes to which may result in a variation in the final recoverable amount; this determination was based on the information available at the measurement 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 assessed to determine whether there is any evidence to suggest that the carrying amount of such assets may not be fully recoverable. A similar analysis is also carried out for commitments to disburse funds and for guarantees issued that fall within the scope of impairment testing under IFRS 9. Where such evidence exists (so-called 'evidence of impairment'), the financial assets in question are considered impaired and are classified in Stage 3. In respect of these exposures, represented by financial assets classified, in accordance with the provisions of Bank of Italy Circular No. 262/2005, in the categories of non-performing loans, loans with probable defaults, and exposures past due for more than ninety days, value adjustments must be recognised equal to the expected losses relating to their entire remaining life. Positions classified in Stage 3 are categorised according to their risk status and are consequently subject to either analytical or flat-rate assessment. Value adjustments on exposures belonging to Stage 3 reflect the expected loss calculated over a time horizon equal to the entire duration of the relevant exposure. Impaired exposures that are not past due and are below a predetermined threshold, for which no objective evidence of loss has been identified, have been subject to a flat-rate assessment, which involves the statistical determination of the expected loss and, consequently, the related value adjustments for homogeneous categories of exposures (defined on the basis of the counterparty segment and the technical form). Analytical impairment testing, however, must still be carried out whenever objective events of deterioration are identified that require a detailed analysis. In particular, in relation to the concept of materiality referred to in the applicable accounting standards, past due and impaired exposures and probable defaults that are individually below the materiality threshold of €300,000 have been subject to impairment using the flat-rate method. The valuation of exposures classified as non-performing is updated periodically to ensure that all events likely to affect the prospects of recovering the loans are promptly reflected in the accounts. The valuation of non-performing loans is carried out analytically, that is, on the basis of a detailed assessment of the recoverability of individual loan positions, taking into account all factors relevant to determining the expected recovery, such as, by way of example and without limitation:

- the nature of the receivable;
- the existence of security and/or personal guarantees; for the valuation of which, please refer to the specific sections set out below;
- the financial standing of the obligors and any co-obligors;
- the income situation of the obligors/any co-obligors;
- the existence of any settlement or restructuring agreements;
- the status of any ongoing legal proceedings (enforcement proceedings);
- the obligors' exposure to the banking system, the status of any overdrafts with the banking system, and any reports of non-performing loans;
- the debtors' exposure to other creditors;
- the results of the latest available financial statements;
- the legal status of the obligors and the existence of any collective and/or individual insolvency proceedings.

In determining any impairment, the Bank takes the following factors into account:

- the existence and type of security: loans secured by mortgage, loans secured by pledge, loans backed by personal guarantees, unsecured loans;
- assets subject to security: residential property, non-residential property, pledges of cash, securities, GPM, receivables or goods;
- valuation available (court-appointed expert's report, valuation report issued by an independent expert, date of the valuation report);
- nature of the guarantor (banks or other entity);
- status of recovery (proceedings not yet initiated, out-of-court settlements, insolvency proceedings);
- value bands, for unsecured receivables.

The valuation of exposures classified as 'likely to default' is updated periodically to enable the prompt incorporation of all events that may alter the prospects for debt recovery, as well as to ascertain that the conditions for their transfer to the non-performing category are not met.

For this category, value adjustments are made:

- on a case-by-case basis for positions exceeding €300,000;
- for positions at or below the €300,000 threshold, where no objective evidence of loss has been identified, using a flat-rate method based on homogeneous exposure types.

Probable defaults with a gross exposure exceeding €300,000 have been assessed on a case-by-case basis. The assessment is aimed at determining any expected losses, whilst bearing in mind that the exposures are classified in this risk category on the basis of the Bank's judgement regarding the unlikelihood that, without recourse to measures such as the enforcement of collateral, the debtor will fully meet its credit obligations; as is well known, this assessment must be carried out independently of whether any amounts (or instalments) are past due or not. Therefore, in the case of a position classified as 'probable default', the estimated realisable value of the receivable is determined by assessing the debtor's ability to meet its obligations, measured on the basis of all available information regarding the debtor's financial position and results of operations, as well as the value of any existing collateral securing the receivables. The recoverable amount is determined in accordance with the planned recovery strategy (distinguishing between 'going concern' and 'liquidation' scenarios), which reflects the overall level of risk, by assessing the ability to generate cash flows sufficient to repay the exposure and/or by simply enforcing the collateral. The assessment of the receivable is carried out by examining appropriate documentation which, by way of example and without being exhaustive, includes, insofar as it is relevant and applicable to the type of customer:

- the performance history of the relationship;
- the current and prospective economic and financial position of the counterparty, through an analysis of the latest available financial statements and forecast plans in the case of a legal entity;
- debt exposure to third parties and to the banking system (through analysis of reports from the CR and CRIF);
- any reports of non-performing loans from the banking system or other creditors, or ongoing debt restructuring plans;
- any documentation drawn up by third-party professionals or experts attesting, in various capacities and including in accordance with the law, to the reversibility of any crisis situation the client may be facing, the suitability of the actions taken to overcome this situation, and the assessment criteria used;
- the debtor's willingness to reach an agreement to settle any arrears or overdrafts or to renegotiate the debt;
- the duration for which the exposure remains classified as 'likely to default'. The expected loss estimates, prepared for each individual exposure, are based on a thorough and comprehensive examination of all the relevant factors that can be accurately derived from the available and accessible documentation.

For positions equal to or below the threshold of €300,000, for which no objective evidence of loss has been identified, the write-down is carried out using a flat-rate method for homogeneous types of exposure. The flat-rate assessment involves the statistical determination of the expected loss and, consequently, the related value adjustments. In particular, the write-down using the flat-rate method is determined according to the following formula, given that, even for Probable Defaults, the PD (Probability of Default) is assumed to be 100 per cent:

$$Svalutazione = DR * LGS * EAD$$

where:

- DR = Decay rate at the position's vintage, with a floor equal to the average fund vintage for the credit exposure segment (corporate/retail) following the introduction of a 3-year backstop;
- LGS = Loss Given Default on non-performing loans;
- EAD = the amount of loans classified as 'likely to default' at the reference date, broken down by segment (corporate/retail) and by technical classification.

Positions classified as past due, for which no objective evidence of loss has been identified, are valued using a flat-rate method for homogeneous exposure categories. The flat-rate valuation involves the statistical determination of the expected loss and, consequently, the related value adjustments. In particular, the write-down using the flat-rate 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 = Decay rate at the position's vintage, with a floor equal to the average fund vintage for the credit exposure segment (corporate/retail) following the introduction of a 4-year backstop;
- LGS = Loss Given Default on non-performing loans;
- EAD = amount of loans classified as 'likely to default' at the reference date, broken down by segment (corporate/retail) and by technical classification.

Methods for determining impairment losses – Impairment losses on performing financial assets

As part of its policies for managing customer loan receivables, the Bank has adopted processes and procedures for monitoring the performance of loan accounts, which include, amongst other things, a comprehensive system for classifying credit positions into homogeneous risk categories, in accordance with sector regulations and internal provisions governing the rules for classification and transfer between the various risk categories.

For financial assets for which there is no evidence of impairment (non-impaired financial instruments), it is necessary, however, to assess whether there are any indicators suggesting that the credit risk of the individual transaction has increased significantly since the time of initial recognition. The consequences of this assessment, from the perspective of classification (or, more accurately, staging) and valuation, are as follows: - where such indicators exist, the financial asset is reclassified to Stage 2. In such cases, in accordance with international accounting standards and even in the absence of an obvious impairment, the valuation requires the recognition of impairment losses equal to the expected losses over the entire remaining life of the financial instrument. These adjustments are reviewed at each subsequent reporting date both to periodically verify their appropriateness in relation to constantly updated loss estimates, and to take account – should the indicators of 'significantly increased' credit risk cease to exist – of the changed forecast horizon for calculating the expected loss; - where such indicators do not exist, the financial asset is classified in Stage 1. In this case, in accordance with international accounting standards and even in the absence of an obvious impairment, the valuation requires the recognition of expected losses for the specific financial instrument over the following twelve months. These adjustments are reviewed at each subsequent balance sheet date both to periodically verify their appropriateness in relation to constantly updated loss estimates, and to take account – should indicators of a 'significantly increased' credit risk arise – of the changed forecast horizon for calculating the expected loss. With regard to the valuation of financial assets and, in particular, the identification of a 'significant increase' in credit risk (a necessary and sufficient condition for classifying the asset under valuation in Stage 2), the factors which – in accordance with the standard and its operational implementation by Banca Cambiano 1884 s.p.a. – constitute the main determinants to be taken into account are as follows:

- the change in the probability of default used for internal management purposes. This is, therefore, an assessment carried out using a 'relative' criterion. In accordance with the current framework of the Bank's internal rating system Bank's internal rating system, Stage 2 includes:
 - performing exposures with a default risk of 1, 2, 3 or 4 at the initial recognition date, for which a final classification of at least 10 has been recorded;
 - performing exposures with a default risk of 5 or 6 at the initial recognition date, for which a 'jump' of 6 classes in the internal PD has been recorded;
 - performing exposures with a default risk of 7, 8, 9 or 10 at the initial recognition date for which a 'jump' of 5 classes in the internal PD has been recorded;
 - performing exposures with a default risk of 11 at the initial recognition date, for which a 'jump' of 4 classes in the internal PD has been recorded;
- the possible presence of a past-due exposure which – subject to the materiality thresholds identified by the regulations – has been in that state for at least 30 days. In such cases, in other words, the credit risk of the exposure is presumed to be 'significantly increased' and, consequently, the exposure is 'moved' to Stage 2 (where it was previously classified in Stage 1);
- the presence of any forbearance measures, which – again on a presumptive basis – result in the classification of exposures as having a credit risk that is 'significantly increased' compared with the initial classification;
- finally, for the purposes of moving between 'stages', certain indicators from the credit monitoring systems specifically used are taken into account. In particular, this refers to so-called 'watch-list' positions, i.e. positions placed under observation due to individual indications of critical issues.

In the current system for determining corporate ratings for non-retail clients, the financial statement component is not included in the quantitative rating but is captured via a qualitative questionnaire.

The Risk Management Function has defined a process for the automatic classification into Stage 2 of counterparties in the portfolio that exhibit the following risk indicators linked to anomalies in financial statement data:

- Positions with EBITDA ≤ 0 in the most recent financial statements filed;
- Positions with equity < 0 in the most recent financial statements submitted.

The scope of application has been restricted to corporate counterparties (limited liability companies (Srl), public limited companies (Spa), joint-stock companies (Sapa), as well as cooperatives and any corresponding foreign entities), for which one of the two indicators mentioned above is present in the most recent annual financial statements submitted. Furthermore, all positions for which the most recent financial statements on file are more than three years old have been excluded. The criteria and the resulting classification are checked automatically during the monthly staging allocation process.

In order to adjust the value adjustments for positions included within the scope, the Bank modifies the rating class by assuming the minimum rating step required for classification into Stage 2 in accordance with the staging allocation criteria by rating, resulting in a corresponding change to the PD applied in the IFRS 9 model calculation.

Once the allocation of exposures to the various credit risk stages has been defined, the expected loss – which represents an estimate of credit losses, weighted by their respective probability of occurrence – is calculated over a 12-month time horizon for exposures classified in Stage 1, or over the entire expected remaining life of the financial instrument for exposures classified in Stage 2. A similar valuation model is therefore adopted for all loans classified in Stage 1 and Stage 2, the only distinguishing feature of which is the time horizon used to estimate the expected loss. The valuation model takes the following risk factors into account:

- **PD (Probability of Default)** – the probability of default, a parameter representing the probability of a counterparty moving from a ‘performing’ status to a ‘default’ status within a one-year time horizon (Stage 1) or over the entire the expected life of the financial instrument (Stage 2). The probability of default is calculated on the basis of parameters determined internally by Banca Cambiano, followed by the inclusion of appropriate adjustments to account for the effects of so-called forward-looking information relating to the relevant macroeconomic scenarios;
- **LGD (Loss Given Default)** – the loss rate in the event of default, a parameter expressing, as a percentage, the proportion of the loss, net of recoveries, relative to the amount of the exposure that has defaulted, as determined 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 varies according to the type of exposure and maturity: exposures with a ‘deterministic’ amortisation schedule with known cash flows and known maturity, and ‘stochastic’ 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. Exposures with an unknown amortisation schedule (for example, non-installment-based exposures such as current accounts) are instead valued using an EAD calculated on the basis of appropriate modelling that takes into account both the so-called ‘on-balance-sheet’ value of the exposure and the ‘off-balance-sheet’ component, which is considered potentially risky given the possibility that the customer may increase their drawdowns. These exposures are valued with a maturity of 12 months, in line with the review period established by the Bank for these types of contractual relationships.

In determining expected losses, all reasonable and verifiable information available at the balance sheet date without undue cost or effort is taken into account. The information used must take into account 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 = Reporting date

$ECL(t_0)$ = Value adjustment calculated at the reporting date $MPD(t_i)$

= Marginal probability of default at t_i

$LGD(t_i)$ = LGD value at the t -th future time point

$EAD(t_i)$ = EAD value at the t -th future time point

$D(t_0, t_i)$ = Discount factor t_0 and t_i

n = remaining life of the relationship (maturity minus reporting date)

With regard to financial assets classified in Stage 1, the calculation formula is applied only up to a maximum time horizon of 1 year, or less if the duration of the financial instrument is less than 12 months. The time points

t_i specified in the formula are consistent with the frequency specified in the output of the multi-period EAD calculation or with the annual frequency, in the case of an amortisation schedule with a single repayment at maturity (so-called ‘bullet’ repayment). With regard to financial assets classified in Stage 2, the calculation formula is applied over a time horizon equivalent to the residual life of the instrument (lifetime). The time points t_i are always consistent with the frequency specified in 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 the 1-year ECL and the lifetime ECL are calculated for each exposure using the multi-period PD, LGD and EAD metrics described earlier in the formula, taking into account all payment due dates up to:

- A one-year time horizon from the reporting date for the calculation of 1-year ECL (where the term is less than 12 months, the remaining contractual term will be taken into account);
- The maturity date of the individual relationship for the calculation of lifetime ECL (where the duration is less than 12 months, the remaining contractual term will be taken into account).

Accounting treatment of tax credits relating to the “Cura Italia” and “Rilancio” Decree-Laws acquired following their transfer by direct beneficiaries or previous purchasers. Approach used for the accounting treatment of acquired tax credits (tax bonuses).

Decree-Laws No. 18/2020 (known as ‘Cura Italia’) and No. 34/2020 (the so-called “Rilancio”) introduced tax incentive measures into Italian law relating both to investment expenditure (e.g. eco and earthquake bonuses) and to current expenditure (e.g. rent for non-residential premises). Furthermore, the Government has intervened on this matter once again through Decree-Law No. 50/2022 (the so-called “Aid Decree”), primarily by redefining the scope of potential assignees, and through Decree-Law No. 11/2023, which established – albeit with certain exceptions – a prohibition on opting, in lieu of directly claiming the deduction, for an invoice discount or the assignment of the tax credit. These tax incentives apply to households or businesses, are calculated as a percentage of the expenditure incurred (which in some cases reaches as high as 110 per cent) and are provided in the

the form of tax credits or tax deductions (which may be converted into tax credits upon election). The main characteristics of these tax credits are: i) the possibility of using them to offset other liabilities; ii) their transferability to third-party purchasers; and iii) their non-refundability by the tax authorities. The accounting treatment of tax credits purchased from a third party (the transferee of the tax credit) is not covered by any specific international accounting standard. IAS 8 provides that, in cases where a situation is not explicitly addressed by an IAS/IFRS standard, management must define an accounting policy suitable for ensuring relevant and reliable disclosure of such transactions. To this end, the Bank, taking into account the guidance provided by the Authorities in the document “Accounting treatment of tax credits relating to the ‘Cura Italia’ and ‘Rilancio’ Decree-Laws acquired following their transfer by direct beneficiaries or previous purchasers”, published on 5 January 2021 by the Coordination Committee comprising the Bank of Italy, Consob and IVASS regarding the application of IAS/IFRS, has adopted an accounting policy that refers to the accounting framework set out in IFRS 9, applying by analogy those provisions compatible with the characteristics of the transaction. The Bank classifies these receivables under ‘Other Assets’ and allocates:

- to a ‘Hold to Collect’ business model those receivables purchased within the limits of its tax capacity, with the aim of holding them and using them for future offsetting. These receivables are recognised at amortised cost, with the remuneration recognised on a pro rata temporis basis in net interest income over the recovery period;
- receivables purchased for trading purposes under an ‘Other’ business model, which occurs when purchases exceed the Bank’s tax capacity and related agreements for new disposals are entered into. These receivables are measured at fair value through profit or loss. However, the average holding period of receivables in the portfolio is limited to the period strictly necessary for their subsequent disposal.

Presentation in the financial statements and disclosures to be provided in periodic financial reports.

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

With regard to the presentation, in the income statement and/or the statement of comprehensive income, of income and expenses arising from the purchase and use of tax credits, this will reflect the management approach 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 losses, gains/losses on disposal), in accordance with paragraphs 82 and 82A of IAS 1 “Presentation of Financial Statements”.

A.3 – Disclosure on transfers between portfolios of financial assets

A.3.1. Reclassified financial assets: change in business model, carrying amount and interest income

As at 31 December 2025, there were no reclassified financial assets.

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

As at 31 December 2025, there were no reclassified financial assets.

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

As at 31 December 2025, there were no reclassified financial assets.

A.4 - Disclosure on fair value

IFRS 13 stipulates that assets and liabilities measured at fair value on a recurring basis are those for which IAS/IFRS require or permit measurement at fair value 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 measurement at fair value in the financial statements under specific circumstances. In order to improve the transparency of disclosures in the financial statements relating to fair value measurement, the IASB has 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 adopted, by Regulation (EU) No 1255/2012, the new IFRS 13 ‘Fair Value Measurement’, which came into force on 1 January 2013. IFRS 13 defines fair value as: “the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date”. This definition of fair value for financial instruments replaces the previous version in IAS 39. In the case of financial liabilities, the new definition of fair value set out in IFRS 13 therefore requires that fair value be identified as the amount that would be paid to transfer the liability (exit price), rather than the amount required to settle the liability (the definition set out in IAS 39). This results in a greater emphasis on the recognition of fair value adjustments to financial liabilities – other than derivatives – attributable to the issuer’s creditworthiness (Own Credit Adjustment – OCA), compared with the provisions previously set out in IAS 39. In particular, with regard to determining the fair value of OTC derivatives on the balance sheet, IFRS 13 has confirmed the rule of applying the adjustment relating to counterparty risk (Credit Valuation Adjustment – CVA). With regard to financial liabilities represented by OTC derivatives, IFRS 13 introduces the so-called Debt Valuation Adjustment (DVA), i.e. a fair value adjustment designed to reflect the issuer’s own default risk on such instruments, an issue not explicitly addressed by IAS 39. The fair value of investments listed on active markets is determined by reference to market prices recorded on the last reporting day of the financial year. In the case of financial instruments listed on active markets, the determination of fair value is based on prices from the relevant active market, which may also be obtained from international data providers, and recorded on the last reporting day of the financial year. A market is defined as active if the prices reflect normal market transactions, are readily and regularly available, and represent the price of actual and regular market transactions. Where the same financial instrument is listed on

more than one market, the quotation to be considered is that on the most favourable market to which the company has access. In the case of unlisted financial instruments, fair value is determined by applying valuation techniques aimed at establishing the price the instrument would have commanded on the market at the valuation date in a free transaction motivated by normal commercial considerations. Fair value is determined using the following techniques: reference to recent market transactions, reference to the price of financial instruments with the same characteristics as the instrument being valued, and quantitative methods. In particular, for unlisted bonds, models are applied to discount expected future cash flows, using interest rate structures that take appropriate account of the issuer's sector of activity and credit rating, where available. In the case of unit trusts not traded on active markets, fair value is determined on the basis of the published Net Asset Value, adjusted where necessary to take account of any changes in value occurring between the date of the redemption request and the actual redemption date. Equity securities not traded on an active market, for which fair value cannot be reliably determined using the most widely accepted methods, are measured at cost, adjusted to take account of any significant impairment. For loans and demand deposits/deposits subject to withdrawal, it is assumed that the contractual obligations fall due immediately and coincide with the balance sheet date; consequently, their fair value is approximated by their carrying amount. Similarly, for short-term loans, the carrying amount is used. For medium- to long-term loans to customers, fair value is determined using valuation techniques that discount the remaining contractual cash flows at effective interest rates, appropriately adjusted to take account of the creditworthiness of individual borrowers (represented by the probability of default and the estimated loss given default). For impaired assets, the carrying amount is considered an approximation of fair value. For medium- to long-term debt represented by securities measured at amortised cost and subject to interest rate hedging, the carrying amount is adjusted for the effect of the hedge to the fair value attributable to the hedged risk by discounting the relevant cash flows. For derivative contracts traded on regulated markets, the fair value is taken to be the market price on the last trading day of the financial year. Over-the-counter derivative contracts are valued using a variety of models, depending on the input factors affecting their valuation and taking into account adjustments for counterparty risk. The Bank does not calculate or recognise fair value adjustments for derivatives in respect of CVA and DVA where collateralisation agreements for derivative positions have been formalised and put into effect, provided they have the following characteristics:

- high-frequency bilateral exchange of collateral (daily or, at most, several times a week);
- the type of collateral consists of cash or government securities of high liquidity and credit quality, subject to an appropriate prudential haircut;
- the absence of a threshold for the fair value of the derivative below which no exchange of collateral is required, or the setting of such a threshold at a level adequate to allow for 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 no adjustment is made to the collateralisation of positions, contractually set at a level that allows for substantial mitigation of counterparty risk.

All hedging derivatives outstanding at the balance sheet date are fully collateralised.

A.4.2 Valuation processes and sensitivities

As at 31 December 2025, there were no assets classified at level two of the fair value hierarchy. Financial assets relating to equity securities 'measured at cost' associated with strategic equity interests, for which fair value cannot be reliably determined or verified, are conventionally classified at level three of the fair value hierarchy.

A.4.3 Fair value hierarchy

The fair value hierarchy, as set out in IFRS 13, must be applied to all financial instruments for which fair value measurement is recognised in the balance sheet. In this regard, for such instruments, the highest priority is given to official prices available on active markets, and lower priority to the use of unobservable inputs, as these are more discretionary. Consequently, fair value is determined using prices obtained from financial markets, in the case of instruments listed on active markets, or, for other financial instruments, by using valuation techniques designed to estimate fair value. The levels used for the classifications set out below in these explanatory notes are as follows:

- "Level 1": the fair value of financial instruments is determined on the basis of observable quoted prices in active markets (unadjusted) available at the valuation date;
- "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, including the use of valuation techniques;
- "Level 3": the fair value of financial instruments is determined on the basis of non-observable inputs for the asset or liability, including the use of valuation techniques.

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

A.4.4 Further information

No further information is provided.

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 hierarchy.

Financial assets/liabilities measured at fair value	31 December 2025			31/12/2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets measured at fair value through profit or loss	73,759	0	154,973	91,634	0	138,603
a) financial assets held for trading	73,759	0	484	91,634	0	422
b) financial assets designated at fair value	0	0	0	0	0	0
c) financial assets that must be measured at fair value	0	0	154,489	0	0	138,182
2. Financial assets measured at fair value through profit or loss	70,631	0	11,372	159,521	0	13,667
3. Hedging derivatives	0	0	0	0	0	0
4. Tangible assets	0	0	2,336	0	0	2,387
5. Intangible assets	0	0	0	0	0	0
Total	144.360	0	168,680	251,154	0	154,657
1. Financial liabilities held for trading	0	0	4,340	0	0	420
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	4,340	0	0	420

Key:

Level 1 = Fair value of a financial instrument quoted on an active market;

Level 2 = Fair value measured using valuation techniques that take into account observable market inputs other than the financial instrument's quoted prices;

Level 3 = Fair value calculated using valuation techniques that refer to parameters not observable on the market.

Among the instruments measured at Level 3 fair value are primarily financial assets that must be measured at fair value, amounting to €154.4 million as at 31 December 2025. Specifically, this item comprises units in O.I.C.R. funds, mainly NPL funds, and loans to customers that do not pass the SPPI test. Units in O.I.C.R. funds are subject to a valuation process that involves an adjustment to the NAV by discounting the expected cash flows from the transaction, as quantified by the independent valuer, using a discount rate determined by internal models based on observable market parameters, and a further adjustment to the value thus quantified by applying a liquidity risk spread.

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

	Financial assets measured at fair value through profit or loss income				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Tangible assets	Intangible assets
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) financial assets mandatorily measured at fair value				
1. Opening balance	138,603	422	0	138,182	13,667	0	2,387	0
2. Increases								
2.1. Purchases	21,203	484	0	20.71G	2,623	0	0	0
2.2. Profits allocated to:				0			0	0
2.2.1. Profit and Loss Account	2,165	0	0	2,165	0	0	0	0
- of which capital gains	2,165	0	0	2,165	0	0	0	0
2.2.2. Equity	X	X	X	X	50	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. Reductions				0			0	0
3.1. Sales	6,757	422	0	6,336	4,968	0	0	0
3.2. Refunds	0	0	0	0	0	0	0	0
3.3. Losses attributed to:				0			0	0
3.3.1. Profit and Loss Account	241	0	0	241	0	0	51	0
- of which capital losses	0	0	0	0	0	0	0	0
3.3.2. Equity	X	X	X	X	0	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 stock	154.673	484	0	154.48G	11,372	0	2,336	0

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

	Financial liabilities held for trading	Financial liabilities designated at fair value	Hedging hedging
1. Opening balance	420	0	0
2. Increases			
2.1. Emissions	484	0	0
2.2. Losses charged to:			
2.2.1. Profit and Loss Account	3,856	0	0
- of which capital losses	3,856	0	0
2.2.2. Shareholders' equity	X	X	0
2.3. Transfers from other levels	0	0	0
2.4. Other increases	0	0	0
3. Reductions			
3.1. Refunds	420	0	0

	Financial liabilities held for trading	Financial liabilities designated at fair value	Hedging hedging
3.2. Buybacks	0	0	0
3.3. Losses charged to:			
3.3.1. Profit and Loss Account	0	0	0
- of which capital gains	0	0	0
3.3.2. Equity	X	X	0
3.4. Transfer to other levels	0	0	0
3.5. Other decreases	0	0	0
4. Closing stock	4,340	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 hierarchy

Items	31 December 2025				31/12/2024			
	VB	L1	L2	L3	VB	L1	L2	L3
1. Financial assets measured at amortised cost	3,597,876	653,236	0	2,944,640	3,630,798	619,623	0	3,011,174
2. Tangible assets held for investment purposes	0	0	0	0	0	0	0	0
3. Non-current assets and disposal groups	0	0	0	0	0	0	0	0
Total	3.5G7,876	653,236	0	2.944.640	3,630.7G8	619.623	0	3,011,174
1. Financial liabilities measured at amortised cost	3,893,792	0	0	3,893,792	4,036,386	0	0	4,036,386
2. Liabilities associated with assets held for disposal	0	0	0	0	0	0	0	0
Total	3.8G 3.7G 2	0	0	3.8G3.7G2	4,036,386	0	0	4,036,386

Key:

VB = Carrying amount - L1 = Level 1 - L2 = Level 2 - L3 = Level 3

A.5 - Disclosure regarding the so-called 'day one profit/loss'

The Group has no transactions for which, upon initial recognition of financial instruments not listed on active markets, such a component relating to the so-called "day one profit/loss" has been recognised. Consequently, the disclosure required by IFRS 7, paragraph 28, is not provided.

PART B – Information on the balance sheet

ASSETS

Section 1 – Cash and cash equivalents – Item 10

1.1 Cash and cash equivalents: breakdown

Items	31/12/2025	31/12/2024	Change	% change
a) Cash	14,819	15,246	-427	-2.80%
b) Demand deposits with central banks	57,000	78,000	-21,000	-26.92%
c) Current accounts and demand deposits with banks	64,808	38,067	26,740	70.24%
Total	136,626	131,313	5,313	4.05%

Notes

The item 'Unrestricted deposits with central banks' does not include the reserve requirement, which is shown under asset item 40(a) 'Financial assets measured at amortised cost (a) loans to banks'.

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

2.1 Financial assets held for trading: breakdown by type

Items/values	31/12/2025			31/12/2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. Cash assets						
1 Debt securities	66,736	0	0	86,043	0	0
1.1 Structured securities	0	0	0	0	0	0
1.2 Other debt securities	66,736	0	0	86,043	0	0
2 Equity securities	7,024	0	0	5,027	0	0
3 O.I.C.R. units	0	0	0	564	0	0
4 Loans	0	0	0	0	0	0
4.1 Repurchase agreements	0	0	0	0	0	0
4.2 Other	0	0	0	0	0	0
Total A	73.75G	0	0	G1.634	0	0
B. Derivative instruments						
1 Financial derivatives:	0	0	484	0	0	422
1.1 trading	0	0	484	0	0	422
1.2 relating to the fair value option	0	0	0	0	0	0
1.3 Other	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 relating to the fair value option	0	0	0	0	0	0
2.3 others	0	0	0	0	0	0
Total B	0	0	484	0	0	422
Total (A+B)	73.75G	0	484	G1,634	0	422

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

Items/values	31/12/2025	31/12/2024	Change	% change
A. CASH ASSETS				
1. Debt securities	66,736	86,043	-1G,308	-22.44%
a) Central banks	0	0	0	0.00%
b) Public sector	64,124	67,217	-3,093	-4.60%
c) Banks	2,612	13,312	-10,700	-80.38%
d) Other financial companies	0	2,488	-2,488	-100.00%
of which: insurance companies	0	1,039	-1,039	-100.00%
(e) Non-financial companies	0	3,026	-3,026	-100.00%
2 Equity securities	7,024	5,027	1.0G5	3G.72%
a) Banks	636	456	180	39.48%
b) Other financial companies	2,038	943	1,095	116.11%
of which: insurance companies	421	607	-186	-30.70%
c) Non-financial companies	4,350	3,628	722	19.89%
d) Other issuers	0	0	0	0.00%
3 Units in UCITS	0	564	-564	-100.00%
4 Loans	0	0	0	0.00%
a) Central Banks	0	0	0	0.00%
b) Public sector	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%

Items/values	31 December 2025	31/12/2024	Change	% change
f) Households	0	0	0	0.00%
Total (A)	73.75G	G1.634	-17.875	-1G.51%
B DERIVATIVE INSTRUMENTS				
a) Central counterparties	0	0	0	0.00%
b) Others	484	422	62	14.69%
Total (B)	484	422	62	14.6G%
Total (A+B)	74,243	G2,055	-17,813	-1G.35%

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

Items/values	31/12/2025			31/12/2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. Cash assets						
1 Debt securities	0	0	2,316	0	0	3,426
1.1 Structured securities	0	0	0	0	0	0
1.2 Other debt securities	0	0	2,316	0	0	3,426
2 Equity securities	0	0	0	0	0	0
3 O.I.C.R. units	0	0	35,379	0	0	36,402
4 Loans	0	0	116,794	0	0	98,354
4.1 Repurchase agreements	0	0	0	0	0	0
4.2 Other	0	0	116,794	0	0	98,354
Total	0	0	154,489	0	0	138,182

2.6 Financial assets mandatorily measured at fair value: breakdown by debtors/issuers

Items/values	31/12/2025	31/12/2024
1 Equity 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	2,316	3,426
a) Central banks	0	0
b) Public sector	0	0
c) Banks	0	1,051
d) Other financial companies	298	282
of which: insurance companies	0	0
e) Non-financial companies	2,019	2,093
3 Units in UCITS	35.37G	36,402
2 Loans	116.7G4	G8.354
a) Central banks	0	0
b) General government	0	0
c) Banks	0	0
d) Other financial companies	3,590	3,805
of which: insurance companies	1,054	1,030
(e) Non-financial companies	112,245	93,078
f) Households	959	1,470
Total	154.48G	138,182

Section 3 – Financial assets measured at fair value through other comprehensive income – Item 30

3.1 Financial assets measured at fair value through other comprehensive income: breakdown by type

Items/values	Total 31/12/2025			Total 31/12/2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	69,664	0	0	158,765	0	0
1.1 Structured securities	0	0	0	0	0	0
1.2 Other debt securities	69,664	0	0	158,765	0	0
2. Equity securities	1,089	0	11,249	756	0	13,667
3. Loans	0	0	0	0	0	0
Total	70,753	0	11.24G	15G.521	0	13,667

3.2 Financial assets measured at fair value through other comprehensive income: breakdown by debtors/issuers

Items/amounts	Total 31/12/2025	Total 31/12/2024	Change	% change
1. Debt securities	6G,664	158,765	-8G.101	-56.12%

Items/values	Total 31/12/2025	Total 31/12/2024	Change	% change
a) Central Banks	0	0	0	0.00%
b) Public sector	69,664	153,961	-84,297	-54.75%
c) Banks	0	4,804	-4,804	-100.00%
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%
2. Equity securities	12.33G	14,423	-2,084	-14.45%
a) Banks	10,069	7,511	2,559	34.07%
b) Other issuers:	2,269	6,912	-4,643	-67.17%
- other financial companies	597	493	104	21.08%
of which: insurance companies	0	0	0	0.00%
- non-financial companies	1,672	6,419	-4,747	-73.95%
- other	0	0	0	0.00%
3. Loans	0	0	0	0.00%
a) Central banks	0	0	0	0.00%
b) Public sector	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) Households	0	0	0	0.00%
Total	82,002	173,188	-G1,185	-52.65%

3.3 Financial assets measured at fair value through other comprehensive income: gross value and total value adjustments

	Gross value				Total value adjustments			Total partial write-offs
	First stage	of which: Instrument s with a low risk of credit	Stage 2	Stage 3	Stage 1	Stage 2	Third stage	
Debt securities	69,677	69,677	0	0	13	0	0	0
Funding	0	0	0	0	0	0	0	0
Total 31/12/2025	69,677	69,677	0	0	13	0	0	0
Total 31/12/2024	158,805	158,805	0	0	40	0	0	0
of which: Impaired financial assets acquired or originated	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 receivables from banks by type

Type of transaction / Amounts	Total 31/12/2025						Total 31/12/2024					
	Carrying amount			Fair value			Carrying amount			Fair value		
	Stage 1 and 2	Stage 3	of which: impaired acquired or originated	Level 1	Level 2	Level 3	First and second stages	Stage 3	of which: acquired or originated	Level 1	Level 2	Level 3
A. Loans to central banks Central	23.1GG	0	0	0	0	23.1GG	28.0G4	0	0	0	0	28.0G4
1. Term deposits	0	0	0	X	X	X	0	0	0	X	X	X
2. Compulsory reserve	23,199	0	0	X	X	X	28,094	0	0	X	X	X
3. Spot versus forward	0	0	0	X	X	X	0	0	0	X	X	X
4. Other	0	0	0	X	X	X	0	0	0	X	X	X
B. Loans and advances to banks	53,054	0	0	0	0	53,054	122,917	0	0	2,737	0	50,087
1. Loans	53,054	0	0	0	0	53,054	120,180	0	0	0	0	50,087
1.1. Current accounts and demand deposits on demand	0	0	0	X	X	X	0	0	0	X	X	X
1.2. Term deposits	53,054	0	0	X	X	X	50,073	0	0	X	X	X
1.3. Other Funding:	0	0	0	X	X	X	70,107	0	0	X	X	X
- Repurchase agreements assets	0	0	0	X	X	X	70,107	0	0	X	X	X
- Leasing finance	0	0	0	X	X	X	0	0	0	X	X	X
- Other	0	0	0	X	X	X	0	0	0	X	X	X
2. Debt securities	0	0	0	0	0	0	2,737	0	0	2,737	0	0
2.1 Structured securities	0	0	0	0	0	0	0	0	0	0	0	0
2.2 Other debt securities	0	0	0	0	0	0	2,737	0	0	2,737	0	0
Total	76,253	0	0	0	0	76,253	151,012	0	0	2,737	0	78,181

4.2 Financial assets measured at amortised cost: breakdown of loans and advances to customers – Part 1

Type of transaction/amounts	Total 31/12/2025						
	Carrying amount				Fair value		
	First and second stage	Stage 3	impairment acquired or originated	Total	Level 1	Level 2	Level 3
1. Funding	2.72G.022	133,621	5,744	2,868,387	X	X	3,057.66G
1.1. Current accounts	328,790	6,977	4,956	340,723	X	X	X
1.2. Repurchase agreements	0	0	0	0	X	X	X
1.3. Mortgages	1,336,669	52,681	620	1.38G.66G	X	X	X
1.4. Credit cards, personal loans and salary-backed loans	16,427	465	1	16.8G3	X	X	X
1.5. Finance leases	267,450	21,755	0	28G.205	X	X	X
1.6. Factoring	0	0	0	0	X	X	X
1.7. Other funding	779,687	51,743	167	831.5G7	X	X	X
2. Debt securities	653,236	0	0	653,236	627,624	0	0
2.1 Structured securities	0	0	0	0	0	0	0
2.2 Other debt securities	653,236	0	0	653,236	627,624	0	0
Total (balance sheet value)	3,382,258	133,621	5,744	3,521,623	627,624	0	3,057.66G

4.2 Financial assets measured at amortised cost: breakdown of loans and advances to customers – Part 2

Type of transaction/amounts	Total 31/12/2024						
	Carrying amount				Fair value		
	First and second stage	Stage 3	impairment acquired or originated	Total	Level 1	Level 2	Level 3
1. Loans							
1.1. 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-backed loans	17,601	272	33	17.G07	X	X	X
1.5. Finance leases	264,133	22,560	0	286.6G2	X	X	X
1.6. Factoring	0	0	0	0	X	X	X
1.7. Other funding	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 (balance sheet value)	3,340.G04	136,133	2.74G	3.47G.786	5G1,061	0	3,057,202

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

Type of transaction/Amounts	Total 31/12/2025			Total 31/12/2024		
	First and second stages	Stage 3	Impaired assets acquired or originated	First and second stage	Third stage	acquired or originated
1. Debt securities	653,236	0	0	616,886	0	0
a) Public public	653,236	0	0	616,886	0	0
b) Other financial companies	0	0	0	0	0	0
of which: insurance	0	0	0	0	0	0
c) Non-financial companies	0	0	0	0	0	0
2. Loans to:	2.72G.022	133,621	5,744	2,724,018	136,133	2.74G
a) Public public	1,086	0	0	1,414	0	0
b) Other financial companies	350,400	1,240	0	334,092	1,796	0
of which: insurance	25.5S7	0	0	25.541	0	0
c) Non-financial companies	1,112,557	100,377	4,967	1,127,495	98,636	2,186
d) Households	1,264,979	32,005	777	1,261,017	35,701	563
Total	3,382,258	133,621	5,744	3,340.G04	136,133	2.74G

4.4 Financial assets measured at amortised cost: gross value and total value adjustments

	Gross value					Total value adjustments				Total partial write-offs
	First stage	of which: Instrument s with a low credit risk credit	Second stage	Stage 3	Acquired or originated impaired assets	First stage	Second stage	Third stage	Acquired or primary impairment	
Debt securities	653,432	653,432	0	0		196	0	0	,00	0
Loans	2,489,060	2,465,256	337,420	242,254	9,089	8,389	12,815	108,633	3,346	1,200
Total 31/12/2025	3,142.4G2	3,118,688	337,420	242,254	G.08G	8,585	12,815	108,633	3,346	1,200
Total as at 31 December 2024	3,207,528	3,164,820	302.01G	228,426	4,788	8,546	G.086	G2.2G3	2.03G	1,200

Notes:

the 'Loans' item includes exposures subject to Covid-19 support measures, in the form of 'New loans', totalling €169.73 million, of which €146.88 million are performing and €22.86 million are non-performing. Total value adjustments amount to €5.76 million, of which €4.70 million relates to non-performing positions.

Section 5 – Hedging derivatives – Item 50

As at 31 December 2025, this item has not been valued.

Section 6 – Value adjustment of financial assets subject to generic hedging

As at 31 December 2025, this item is not valued.

Section 7 – Equity investments – Item 70

7.2 Significant equity investments: carrying amount, fair value and dividends received

Descriptions	Carrying amount	Fair value	Dividends received
A. Jointly controlled entities	0	0	0
A. Entities subject to significant influence	0	0	0
Totals	0	0	0

7.5 Equity investments: year-on-year changes

Items	Total 31/12/2025	Total 31/12/2024
A. Opening balance	16,375	15.G33
B. Increases	251	442
B.1 Purchases	0	0
B.2 Reversals of impairment losses	0	0
B.3 Revaluations	0	442
B.4 Other changes	251	0
C. Reductions	16,626	0
C.1 Sales	1,209	0
C.2 Value adjustments	0	0
C.3 Write-downs	349	0
C.4 Other changes	15,068	0
D. Closing stock	0	16,375
E. Total revaluations	0	15,244
F. Total adjustments	0	0

Notes

Line C.1 "Sales" refers to the disposal of the Bank's entire shareholding in Cabel Industry S.p.A., for a total of €1,209 thousand.

Line C.4 "Other changes" refers to the decrease in this item resulting from the inclusion of the company within the scope of consolidation in accordance with IFRS 10.

7.7 Equity investments: commitments relating to equity investments in companies subject to significant influence

There are no commitments that could give rise to contingent liabilities arising from any joint and several liabilities.

7.8 Equity investments: significant restrictions

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

Section 8 – Technical provisions borne by reinsurers – Item 80

There are no technical provisions.

Section G – Tangible assets – Item G0

G.1 Tangible assets held for operational use: breakdown of assets measured at cost

Assets/values	Total 31/12/2025	Total 31/12/2024
1. Owned assets	72,818	60,737
a) land	20,714	10,466

Assets/values	Total as at 31 December 2025	Total 31/12/2024
b) buildings	37,160	34,917
c) furniture	10,437	10,720
d) electronic equipment	924	806
e) other	3,583	3,827
2. Rights of use acquired through leasing	13,432	13,231
a) land	0	0
b) buildings	13,423	13,193
c) furniture	0	0
d) electronic equipment	0	0
e) other	9	38
Total	86,250	73.G68
of which: obtained through the realisation of guarantees received	0	0

Notes

All the Group's tangible assets are measured at cost; the line 'land' shows the value of land separated from the value of buildings. Sub-item 2 includes rights of use acquired through leasing following the entry into force, with effect from 1 January 2019, of the new accounting standard IFRS 16.

G.2 Tangible assets held for investment: breakdown of assets measured at cost

Assets/values	Total 31/12/2025				Total 31/12/2024			
	Balance balance sheet	Fair value			Carrying amount	Fair value		
		L1	L2	L3		L1	L2	L3
1. Owned assets	14,526	0	0	14,526	16,225	0	0	16,225
a) land	131	0	0	131	131	0	0	131
b) buildings	14,396	0	0	14,396	16,094	0	0	16,094
2. Rights of use acquired through 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	14,526	0	0	14,526	16,225	0	0	16,225

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

G.4 Tangible assets held for investment purposes: breakdown of assets measured at fair value

Assets/securities	Total 31/12/2025			Total 31/12/2024		
	Fair value			Fair value		
	L1	L2	L3	L1	L2	L3
1. Owned assets	0	0	2,336	0	0	2,387
a) land	0	0	0	0	0	0
b) buildings	0	0	2,336	0	0	2,387
2. Rights of use acquired through 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	2,336	0	0	2,387

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

Notes

Tangible assets held for investment purposes and measured at fair value consist of property owned by the Group's companies that is not used in their business operations.

G.6 Tangible assets held for operational use: annual changes

Items	Land	Buildings	Furniture and fittings	Plant Electronic	Other	Total 31/12/2025
A. Opening gross balance	10,466	82,564	17,300	2.GG4	17,387	130,711
A.1 Total net impairment losses	0	34,453	6,580	2,188	13,522	56,743
A.2 Net opening balance	10,466	48,110	10,720	806	3,865	73.G68
A.3 Adjustment to opening balances (FTA IFRS 16)	0	0	0	0	0	0
A.4 Net holdings	10,466	48,110	10,720	806	3,865	73.G68
B. Increases:	10,247	6.715	143	587	850	21,542
B.1 Purchases	187	2,057	130	510	610	3,495
B.2 Capitalised improvement costs	0	149	0	0	0	149
B.3 Reversals of impairment losses	0	0	0	0	0	0
B.4 Positive changes in fair value recognised in:	0	0	0	0	0	0
(a) equity	0	0	0	0	0	0
b) profit and loss account	0	0	0	0	0	0
B.5 Foreign exchange gains	0	0	0	0	0	0

Items	Land	Buildings	Furniture	Installations Electronic	Other	Total 31/12/2025
B.6 Transfers from properties held for investment	0	0	0	0	0	0
B.7 Other changes	10,060	7,509	13	76	240	17,898
C. Reductions:	0	7,243	426	468	1,122	G.260
C.1 Sales	0	0	0	76	73	150
C.2 Depreciation	0	3,695	426	392	1,049	5,562
C.3 Impairment losses allocated to:	0	0	0	0	0	0
a) equity	0	0	0	0	0	0
b) profit and loss account	0	0	0	0	0	0
C.4 Negative changes in fair value recognised in:	0	0	0	0	0	0
a) equity	0	0	0	0	0	0
b) profit and loss account	0	0	0	0	0	0
C.5 Foreign exchange losses	0	0	0	0	0	0
C.6 Transfers to:	0	0	0	0	0	0
(a) tangible assets held for investment	0	0	0	0	0	0
(b) non-current assets and groups of assets held disposal	0	0	0	0	0	0
C.7 Other changes	0	3,548	0	0	0	3,548
D. Net closing stock	20,714	50,582	10,437	G24	3.5G2	86,250
D.1 Total net impairment losses	0	30,640	7,007	2,503	14,331	54,481
D.2 Gross closing stock	20,714	81,222	17,443	3,428	17.G24	140,731
E. Valuation at cost	0	0	0	0	0	0

Item B.1 "Purchases" includes contract renewals for assets acquired under lease agreements. These amounts are detailed in Table B 8.6 bis.

Depreciation has been calculated on a pro rata basis using the following rates:

Type	Average rate
- Land	0.00%
- Buildings	3.00%
- Structures	0.00%
- Furniture and miscellaneous furnishings	12.00%
- Plant, machinery and equipment AED	20.00%
- Technical plant, machinery and equipment	15.00%
- Cars	20.00%
- Rights of use	Depending on the term of the contract

G.6 bis Of which: Tangible assets for operational use – Usufruct rights acquired through leasing: annual changes

Items	Land	Buildings	Furniture	Plant Electronic	Other	Total 31/12/2025
A. Gross opening balance	0	24,877	0	0	223	25,100
A.1 Total net impairment losses	0	11,685	0	0	185	11,870
A.2 Net opening balance	0	13.1G3	0	0	38	13,231
A.3 Adjustment to opening balances (FTA IFRS 16)	0	0	0	0	0	0
A.4 Net holdings	0	13.1G3	0	0	38	13,231
B. Increases:	0	2,050	0	0	0	2,050
B.1 Purchases	0	2,050	0	0	0	2,050
B.2 Capitalised improvement costs	0	0	0	0	0	0
B.3 Reversals of impairment losses	0	0	0	0	0	0
B.4 Positive changes in fair value recognised in:	0	0	0	0	0	0
a) equity	0	0	0	0	0	0
b) profit and loss account	0	0	0	0	0	0
B.5 Foreign exchange gains	0	0	0	0	0	0
B.6 Transfers from investment property	0	0	0	0	0	0
B.7 Other changes	0	0	0	0	0	0
C. Reductions:	0	1,820	0	0	28	1,848
C.1 Sales	0	0	0	0	0	0
C.2 Depreciation	0	1,820	0	0	28	1,848
C.3 Impairment losses charged to:	0	0	0	0	0	0
a) equity	0	0	0	0	0	0
b) profit and loss account	0	0	0	0	0	0
C.4 Negative changes in fair value allocated to:	0	0	0	0	0	0
a) equity	0	0	0	0	0	0
b) profit and loss account	0	0	0	0	0	0
C.5 Foreign exchange losses	0	0	0	0	0	0

Items	Land	Buildings	Furniture	Installations Electronic	Other	Total 31/12/2025
C.6 Transfers to:	0	0	0	0	0	0
(a) tangible assets held for investment purposes	0	0	0	0	0	0
b) non-current assets and disposal groups	0	0	0	0	0	0
C.7 Other changes	0	0	0	0	0	0
D. Net closing stock	0	13,423	0	0	G	13,432
D.1 Total net impairment losses	0	13,504	0	0	214	13,718
D.2 Gross closing stock	0	26,627	0	0	223	27,150
E. Valuation at cost	0	0	0	0	0	0

G.7 Tangible assets held for investment purposes: annual changes

Items	Land	Buildings	Furniture and fittings	Plant Electronic	Other	Total 31/12/2025
A. Gross opening balance	131	18.58G	0	0	0	18.71G
A.1 Total net impairment losses	0	107	0	0	0	107
A.2 Net opening balance	131	18,481	0	0	0	18,612
B. Increases:	0	G55	0	0	0	G55
B.1 Purchases	0	375	0	0	0	375
of which: business combinations	0	0	0	0	0	0
B.2 Capitalised improvement costs	0	359	0	0	0	35G
B.3 Reversals of impairment losses	0	0	0	0	0	0
B.4 Positive changes in fair value recognised in:	0	0	0	0	0	0
(a) equity	0	0	0	0	0	0
b) profit and loss account	0	0	0	0	0	0
B.5 Foreign exchange gains	0	0	0	0	0	0
B.6 Transfers from properties held for investment	0	0	0	0	0	0
B.7 Other changes	0	221	0	0	0	221
C. Decreases:	0	2,706	0	0	0	2,706
C.1 Sales	0	2,204	0	0	0	2,204
of which: business combinations	0	0	0	0	0	0
C.2 Depreciation	0	0	0	0	0	0
C.3 Impairment losses recognised to:	0	0	0	0	0	0
a) equity	0	0	0	0	0	0
b) profit and loss account	0	0	0	0	0	0
C.4 Negative changes in fair value recognised in:	0	502	0	0	0	502
a) equity	0	0	0	0	0	0
b) profit and loss account	0	502	0	0	0	502
C.5 Foreign exchange losses	0	0	0	0	0	0
C.6 Transfers to:	0	0	0	0	0	0
(a) tangible assets held for 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 stock	131	16,731	0	0	0	16,862
D.1 Total net impairment losses	0	107	0	0	0	107
D.2 Gross closing stock	131	16,838	0	0	0	16,6G6
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

Assets/values	Total 31/12/2025		Total 31/12/2024	
	Fixed term	Indefinite	Fixed-term Fixed-term	Duration indefinite
A.1 Goodwill	0	0	0	0
A.2 Other intangible assets	5,437	0	5,0G0	0
Of which: software	5,246		4,436	
A.2.1 Assets measured at cost:	5,246	0	4,436	0
(a) Internally generated intangible assets	0	0	0	0
b) Other assets	5,246	0	4,436	0
A.2.2 Assets measured at fair value:	191	0	654	0
a) Internally generated intangible assets	0	0	0	0
b) Other assets	191	0	654	0
Total	5,437	0	5,0G0	0

Notes

The intangible asset measured at fair value, arising from the business combination of BCC for Web carried out in 2023,

relates to the valuation of customer relationships ("Client Relationship") present in the acquired business unit and identified during the PPA in accordance with IFRS 3. These relationships, comprising managed and administered deposits and current account liabilities, have been amortised over their useful lives, estimated at 3 years.

The Bank's other intangible assets are measured at cost.

10.2 Intangible assets: annual change

Items	Goodwill	Other intangible assets: generated internally		Other intangible assets: other		Total as at 31 December 2025
		with a fixed	with indefinite	Fixed-term fixed-term	of indefinite	
A. Gross opening balance	0	0	0	17,168	0	17,168
A.1 Total net impairment losses	0	0	0	12,078	0	12,078
A.2 Net opening balance	0	0	0	5,060	0	5,060
B. Increases	0	0	0	2,638	0	2,638
B.1 Purchases	0	0	0	2,331	0	2,331
B.2 Increases in internally generated intangible assets	0	0	0	0	0	0
B.3 Reversals of impairment losses	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
- in the profit and loss account	0	0	0	0	0	0
B.5 Foreign exchange gains	0	0	0	0	0	0
B.6 Other changes	0	0	0	307	0	307
C. Reductions	0	0	0	2,262	0	2,262
C.1 Sales	0	0	0	0	0	0
C.2 Impairment losses	0	0	0	2,010	0	2,010
- Depreciation and amortisation	0	0	0	2,010	0	2,010
- Write-downs	0	0	0	0	0	0
+ equity	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
- in the profit and loss account	0	0	0	0	0	0
C.4 Transfers to non-current assets held for disposal	0	0	0	0	0	0
C.5 Foreign exchange losses	0	0	0	0	0	0
C.6 Other changes	0	0	0	282	0	282
D. Net closing stock	0	0	0	5,437	0	5,437
D.1 Total net impairment losses	0	0	0	14,087	0	14,087
E. Gross closing stock	0	0	0	16,524	0	16,524
F. Valuation at cost	0	0	0	0	0	0

Notes

As at 31 December 2025, other intangible assets consist entirely of expenditure on business software.

Section 11 – Tax assets and liabilities – Item 110 on the assets side and Item 60 on the liabilities side

11.1 Deferred tax assets: breakdown

In accordance with the provisions of IAS 12, the Cambiano Banking Group has recognised deferred tax assets following an assessment of the likelihood of their recovery carried out at Group level. In forming this judgement, account was taken of the tax regulations in force and the effects arising from the 'national tax consolidation' option exercised with effect from 1 January 2017 by the parent company, Ente Cambiano s.c.p.a..

Items/Amounts	Total 31/12/2025	Total 31/12/2024
1. Tangible fixed assets	83	85
2. Staff costs	261	292
3. Receivables	9,315	6,847
4. Entertainment expenses	0	0
5. Financial instruments (HTCS securities)	405	1,278
6. Tax losses	547	2,301
7. Goodwill	1,104	1,234
8. Other	44	67
Total	11,756	12,105

Notes

The line item "Financial instruments" shows the tax asset relating to financial instruments classified in the portfolio of financial assets measured at fair value through other comprehensive income.

The line item "Tax losses" recognised as at 31 December 2025 includes deferred tax assets accrued as at 31 December 2019 by Invest Banca, which was acquired through the merger.

Point 2. – Breakdown of deferred tax assets:

Items/Amounts	Total 31/12/2025	Total 31/12/2024
1. IRAP due in 2025	0	324
2. IRES instalments for 2025	0	2,122

Items/Amounts	Total 31/12/2025	Total 31/12/2024
3. IRAP instalments due in 2026	81	138
4. IRES payable in instalments for 2026	531	907
5. IRAP instalments for 2027	186	59
6. IRES instalments due in 2027	1,219	386
7. IRAP payable in instalments by 2028	186	59
8. IRES payable in instalments until 2028	1,219	386
9. IRAP payable in instalments by 2029	127	0
10. IRES payable in instalments until 2029	833	0
11. IRAP on IFRS 9 FTA adjustments, payable in instalments by 2026	104	0
12. IRES on IFRS 9 FTA adjustments, deferred until 2026	513	0
13. IRAP on IFRS 9 FTA adjustments, phased in by 2027	104	0
14. IRES on IFRS 9 FTA adjustments, phased in by 2027	513	0
15. IRAP on IFRS 9 FTA adjustments, to be paid in instalments by 2028	519	416
16. IRES on IFRS 9 FTA adjustments, to be paid in instalments by 2028	2,565	2,052
17. IRAP on IFRS 9 FTA adjustments, to be paid in instalments by 2029	104	0
18. IRES on IFRS 9 FTA adjustments, to be paid in instalments by 2029	513	0
Total	6,315	6,847

11.2 Deferred tax liabilities: breakdown

Items/Amounts	Total 31/12/2025	Total 31/12/2024
1. Tangible fixed assets	0	0
2. Staff costs	0	0
3. Former provision for credit risks	0	0
4. Equity investments	31	31
5. Financial instruments (HTCS securities)	0	0
6. Goodwill	0	0
7. Other	395	364
Total	425	365

Notes

The 'Equity investments' line item shows the tax liability relating to equity investments, calculated at the IRES rate (27.50) on 5.00% of the total capital gain (2,285 mgl.).

11.3 Changes in deferred tax assets (offset against the profit and loss account)

Items	Total 31/12/2025	Total 31/12/2024
1. Opening balance	10,535	12,261
2. Increases	2,510	1,867
2.1 Deferred tax assets recognised during the financial year	2,467	1,815
a) relating to previous financial years	0	0
b) due to a change in accounting policies	0	0
c) reversals of impairment losses	0	0
d) other	2,467	1,815
2.2 New taxes or increases in tax rates	42	53
2.3 Other increases	0	0
3. Decreases	1,651	3,654
3.1 Deferred tax assets written off during the financial year	197	3,954
a) reversals	197	3,954
b) write-downs due to irrecoverability	0	0
c) change in accounting policies	0	0
d) other	0	0
3.2 Reductions in tax rates	0	0
3.3 Other decreases	1,755	0
a) conversion into tax credits pursuant to Law No. 214/2011	1,755	0
b) other	0	0
4. Final amount	11,063	10,535

The table summarises all deferred tax assets that will be recognised in subsequent financial years as a contra entry in the profit and loss account. The sub-item "d) other" under "Increases" includes the recognition of deferred tax assets relating to adjustments to the Bank's receivables amounting to 2,467 thousand, the recovery of which is expected to commence in the 2026 financial year and be completed within the following three financial years; this is considered reliable over the planning horizon in light of the outcome of the probability test

11.4 Changes in deferred tax assets pursuant to Law 214/2011 (offset against the profit and loss account)

Items	Total 31/12/2025	Total 31/12/2024
1. Opening balance	4,380	8,160
2. Increases	0	0
3. Decreases	0	3,780
3.1 transfers	0	3,780
3.2 conversions into tax credits	0	0
a) arising from operating losses	0	0
b) arising from tax losses	0	0

Items	Total 31/12/2025	Total 31/12/2024
3.3 Other decreases	0	0
4. Final amount	4,380	4,380

11.5 Changes in deferred tax (offset against the profit and loss account)

Items	Total 31/12/2025	Total 31/12/2024
1. Opening balance	364	377
2. Increases	31	0
2.1 Deferred tax recognised during the financial year	31	0
a) relating to previous financial years	0	0
b) due to a change in accounting policies	0	0
c) other	31	0
2.2 New taxes or increases in tax rates	0	0
2.3 Other increases	0	0
3. Decreases	0	14
3.1 Deferred tax reversed during the financial year	0	14
a) reversals	0	14
b) due to changes in accounting policies	0	0
c) other	0	0
3.2 Reductions in tax rates	0	0
3.3 Other reductions	0	0
4. Final amount	365	364

Notes

The table summarises all deferred tax liabilities that will be recognised in subsequent financial years as a contra entry to the profit and loss account.

11.6 Changes in deferred tax assets (offset against equity)

Items	Total as at 31 December 2025	Total as at 31 December 2024
1. Opening balance	1,570	4,461
2. Increases	0	6
2.1 Deferred tax assets recognised during the financial year	0	0
(a) relating to previous financial years	0	0
b) due to a change in accounting policies	0	0
c) other	0	6
2.2 New taxes or increases in tax rates	0	0
2.3 Other increases	0	0
3. Decreases	604	2,866
3.1 Deferred tax assets written off during the financial year	604	2,866
a) reversals	904	2,896
b) write-downs due to irrecoverability	0	0
c) due to a change in accounting policies	0	0
d) other	0	0
3.2 Reductions in tax rates	0	0
3.3 Other reductions	0	0
4. Final amount	666	1,570

Notes

The changes are attributable to deferred tax recognised on movements in equity reserves relating to financial instruments classified in the portfolios of financial assets measured at fair value through other comprehensive income.

11.7 Changes in deferred tax (offset against equity)

Items	Total 31/12/2025	Total 31/12/2024
1. Opening balance	31	16
2. Increases	0	15
2.1 Deferred tax recognised during the financial year	0	15
(a) relating to previous financial years	0	0
b) due to a change in accounting policies	0	0
c) other	0	15
2.2 New taxes or increases in tax rates	0	0
2.3 Other increases	0	0
3. Decreases	1	0
3.1 Deferred tax reversed during the financial year	1	0
a) reversals	1	0
b) due to a change in accounting policies	0	0
c) other	0	0
3.2 Reduction in tax rates	0	0
3.3 Other reductions	0	0
4. Final amount	30	31

Probability test on deferred tax assets

International Accounting Standard IAS 12 stipulates that tax liabilities and assets must be recognised on the basis of the following criteria:

- a deferred tax liability must, in principle, be recognised for all taxable temporary differences;
- a deferred tax asset must be recognised for all deductible temporary differences, provided it is probable that sufficient taxable profit will be available against the deductible temporary differences.

Deferred tax assets not recognised in previous periods – as the conditions for their recognition were not met – must be recognised in the financial year in which those conditions are met.

The amount of deferred tax assets recognised in the financial statements must therefore be tested annually to verify whether it is probable that future taxable profits will be available to allow for their recovery.

With regard to deferred tax assets recognised under the Group's assets, an analysis was carried out to verify whether forecasts of future profitability are such as to guarantee their recovery and thus justify their recognition and retention in the financial statements (the so-called 'probability test').

Deferred tax assets recognised in the financial statements as at 31 December 2025, with a corresponding entry in the profit and loss account, amount to a total of 11,844 thousands, broken down into 'qualified' deferred tax assets of €4,380 thousands and 'unqualified' deferred tax assets of

€7,463 thousand.

The Group's qualifying deferred tax assets arise from deductible temporary differences relating to write-downs and losses on receivables (other than those arising from the first-time adoption of the international accounting standard IFRS 9). As current tax legislation is sufficient to ensure the recovery of qualified deferred tax assets in all circumstances, regardless of the company's future profitability, these assets are excluded from the scope of the profitability probability test.

With regard to 'non-qualified' deferred tax assets, the business plan for the three-year period 2026–2028 demonstrates the Group's ability to generate future taxable income sufficient to allow for their full utilisation, thereby ensuring that their write-off in the 2025 Financial Statements complies with the provisions of International Accounting Standard IAS 12.

11.8 Further information – Current tax assets – Breakdown

Items	Total 31/12/2025	Total 31/12/2024
1. Advance tax payments	7,035	2,782
2. Tax credits on the principal amount	5,479	1,736
3. Tax credits on interest	0	0
4. Other withholdings	206	189
Total	12,720	4,707

Notes

Current tax assets for 2025 have been presented as 'closed' balances in the financial statements and as 'open' balances in the table above.

11.8 Other information – Current tax liabilities – Breakdown

Items	Total 31/12/2025	Total 31/12/2024
1. Provision for IRES tax	4,363	1,335
2. IRAP provision	1,137	472
3. Stamp duty provision	0	0
4. Provision for taxes – substitute tax under Law 244/2007	0	0
5. Tax provision – other	3,286	0
Total	8,786	1,807

Notes

Current tax liabilities for 2025 have been treated as 'closed balances' in the financial statements and as 'open balances' in the table above.

Section 13 – Other assets – Item 130

13.1 Other assets: breakdown

Items	Total 31/12/2025	Total 31/12/2024
01. Sundry receivables	5,041	2,865
02. Trade receivables	135	53
03. Work in progress	24,896	23,308
04. Miscellaneous items to be sorted out	661	368
05. Mortgages taken out and to be disbursed	340	680
06. Cheques, unpaid bills of exchange and protested bills	101	76
07. Assets assigned but not written off	0	0
08. Assets relating to expenditure on third-party assets	936	1,032
09. Expenses pending invoicing	265	143
10. Costs to be allocated	148	220
11. Forward securities transactions	991	893
12. Miscellaneous assets	26,346	15,192
13. Accrued income and deferred charges	9,423	6,951
14. Securities to be settled (sales)	0	0
15. Tax credits – Building bonuses	79,437	90,964

Items	Total 31/12/2025	Total 31/12/2024
16. Miscellaneous tax items	1	0
17. Other assets	374	384
Total	146.064	143.12G

Notes

The sub-item “03 Transactions in progress” includes transactions to be debited to customers (outgoing direct debits, bank transfers, instant payments, etc.) totalling 17,149 mgl and outgoing direct debits to be debited to banks totalling 1,224 mgl.

The sub-item “12 Miscellaneous receivables” comprises tax receivables totalling €16,599 mgl.

The sub-item “15 Tax bonus loans” refers to tax credits relating to the ‘Cura Italia’ and ‘Rilancio’ Decree-Laws acquired by the Bank following their transfer by direct beneficiaries or previous purchasers.

LIABILITIES

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

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

Type of transaction/Amounts	Total 31/12/2025				Total 31/12/2024				Change	% change
	Carrying amount	Fair value			Carrying amount	Fair value				
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		
1. Liabilities to central banks	0	X	X	X	0	X	X	X	0	0.00%
2. Bank borrowings	214.85G				111,102				103,758	G3.36%
2.1 Current accounts and demand deposits	94,920	X	X	X	103,370	X	X	X	-8,450	-8.17%
2.2 Term deposits	8,511	X	X	X	0	X	X	X	8,511	0.00%
2.3 Loans	111,291	X	X	X	7,607	X	X	X	103,684	1,363.01%
2.3.1 Repurchase agreements	100,161	X	X	X	0	X	X	X	100,161	-
2.3.2 Other	11,129	X	X	X	7,607	X	X	X	3,522	46.31%
2.4 Liabilities arising from repurchase commitments own equity instruments	0	X	X	X	0	X	X	X	0	-
2.5 Lease liabilities	0	X	X	X	0	X	X	X	0	-
2.6 Other payables	138	X	X	X	125	X	X	X	13	10.42%
Total	214.85G	0	0	214.85G	111,102	0	0	111,102	103,758	G3,36%

Key:

Level 1 = Fair value of a financial instrument quoted on an active market;

Level 2 = Fair value measured using valuation techniques that reference observable market inputs other than the financial instrument’s quoted prices;

Level 3 = Fair value calculated using valuation techniques that rely on parameters not observable in the market.

Notes

All bank borrowings are measured at cost or amortised cost.

1.2 Financial liabilities measured at amortised cost: breakdown of amounts owed to customers by type

Type of transaction/Amounts	Total 31/12/2025				Total 31/12/2024				Change	Change %
	Carrying amount	Fair value			Carrying amount	Fair value				
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		
1. Current accounts and demand deposits	2,371,356	X	X	X	2,379,130	X	X	X	-7,774	-0.33%
2. Term deposits	1,164,438	X	X	X	1,218,761	X	X	X	-54,322	-4.46%
3. Loans	8,056	X	X	X	128,924	X	X	X	-120,869	-93.75%
3.1 Repurchase agreements (liabilities)	8,056	X	X	X	128,924	X	X	X	-120,869	-93.75%
3.2. Others	0	X	X	X	0	X	X	X	0	-
4. Liabilities arising from commitments to repurchase own equity instruments	0	X	X	X	0	X	X	X	0	-
5. Lease liabilities	14,370	X	X	X	13,963	X	X	X	407	2.91%
6. Other payables	35,154	X	X	X	68,724	X	X	X	-33,571	-48.85%
Total	3.5G3,373			3.5G3,373	3.80G.502			3.80G.502	-216.12G	-5.67%

Key:

Level 1 = Fair value of a financial instrument quoted on an active market;

Level 2 = Fair value measured using valuation techniques that take into account observable market inputs other than the financial instrument’s quoted prices;

Level 3 = Fair value calculated using valuation techniques that rely on parameters not observable in the market.

Notes

All amounts owed to customers are measured at cost or amortised cost.

Line 5 “Lease liabilities” comprises lease liabilities recognised in accordance with IFRS 16.

Line 6, “Other payables”, includes liabilities associated with assets sold but not derecognised in connection with the securitisation transaction completed in September 2023.

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

Type of securities/Amounts	Total 31/12/2025				Total 31/12/2024			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Securities								
1. Bonds	85,560	0	0	85,560	115,782	0	0	115,782
1.1 Structured	0	0	0	0	0	0	0	0
1.2 other	85.560	0	0	85.560	115,782	0	0	115,782
2. Other securities	0	0	0	0	0	0	0	0
2.1 Structured	0	0	0	0	0	0	0	0
2.2 others	0	0	0	0	0	0	0	0
Total	85,560	0	0	85,560	115,782	0	0	115,782

Key:

Level 1 = Fair value of a financial instrument quoted on an active market;

Level 2 = Fair value measured using valuation techniques that take into account observable market inputs other than the financial instrument's quoted prices;

Level 3 = Fair value calculated using valuation techniques that rely on parameters not observable in the market.

Notes

The table shows the portfolio comprising bonds.

All liabilities are measured at cost or amortised cost, with the exception of items subject to specific interest rate hedging, for which the effect of the swaps has been capitalised.

Liabilities are shown net of repurchased bonds.

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

ISIN	Issue date	Redemption date	Issue value	Amount included in Own Funds
IT0005371270	10 June 2019	10 June 2029	5,000	3,442
IT0005376287	20 June 2019	20 June 2029	1,000	0
IT0005385668	25 September 2019	25/09/2029	2,000	1,494
IT0005391518	5 December 2019	5 December 2029	1,000	786
IT0005396426	20 December 2019	20 December 2024	0	0
IT0005253148	1 June 2017	1 June 2024	0	0
IT0005487118	15 March 2022	15 March 2029	2,000	1,281
IT0005495574	16 May 2022	16 May 2030	3,000	2,624
IT0005498859	29 June 2022	29 June 2030	3,000	2,696
IT0005509135	30 September 2022	30/09/2030	2,000	1,899
IT0005510059	30 September 2022	30/09/2030	3,000	2,849
IT0005514960	20 October 2022	20/10/2030	3,000	2,882
IT0005516395	20 October 2022	20/10/2030	700	675
IT0005516403	20 October 2022	20/10/2030	400	386
IT0005523391	7 December 2022	7 December 2030	2,800	2,763
IT0005527772	29 December 2022	29/12/2030	2,200	2,198
IT0005527780	29 December 2022	29/12/2030	5,000	4,995
IT0005534190	1 March 2023	1 March 2031	800	800
IT0005554495	29 June 2023	29 June 2031	2,000	2,000
IT0005558751	10 August 2023	10 August 2031	800	800
IT0005560534	4 September 2023	4 September 2031	4,500	4,500
IT0005560591	4 September 2023	4 September 2031	2,000	2,000
IT0005561268	20 September 2023	20/09/2031	500	500
IT0005561854	26 September 2023	26 September 2031	8,000	8,000
Total			54,700	4,570

1.6 Financial liabilities measured at amortised cost: lease liabilities

TIME FRAMES	31/12/2025		31/12/2024	
	Payments due		Payments due	
	Leasing Finance	Leasing operational	Leasing Finance	Leasing Operating
Up to 1 year	0	359	0	45
From over 1 year up to 2 years	0	356	0	758
From over 2 years up to 3 years	0	416	0	575
From over 3 years up to 4 years	0	0	0	557
From over 4 years up to 5 years	0	15	0	0
Over 5 years	0	13,091	0	11,899
Total lease payments due	0	14,237	0	13,834
RECONCILIATION WITH PAYABLES:				
Unrealised financial gains (-) (Discounting effect)	0	133	0	129
Lease liabilities	0	14,370	0	13,663

Notes

Please note that Table "1.6 Lease liabilities" sets out the analysis of lease liabilities by time band, as required by IFRS 16 and Bank of Italy Circular 262.

Section 2 – Financial liabilities held for trading – Item 20

2.1 Financial liabilities held for trading: breakdown by type

Type of transaction/Amounts	Total 31/12/2025					Total 31/12/2024				
	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. Bank borrowings	0	0	0	0	0	0	0	0	0	0
2. Amounts owed 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 liabilities	0	0	0	0	0	0	0	0	0	0
3.2 Other securities	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	4,340	0	0	0	0	420	0
1. Financial derivatives	0	0	0	4,340	0	0	0	0	420	0
1.1 Trading	0	0	0	4,340	0	0	0	0	420	0
1.2 Fair value-related option	0	0	0	0	0	0	0	0	0	0
1.3 Other	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 Fair value-related 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	4,340	0	0	0	0	420	0
Total A + B	0	0	0	4,340	0	0	0	0	420	0

Key:

FV (*) – fair value calculated excluding changes in value attributable to changes in the issuer's credit rating 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: breakdown by type of hedge and by hierarchy level

There are no hedging derivatives.

Section 8 – Other liabilities – Item 80

8.1 Other liabilities: breakdown

Items	Total 31/12/2025	Total 31/12/2024
01. Miscellaneous tax items	17,447	10,994
02. Work-in-progress	8,817	6,885
03. Credit balances on third-party portfolio offsets	49,288	50,285
04. Trade payables	5,792	5,074
05. Work in progress and other payables	16,110	20,334
06. Accrued liabilities and deferred income	4,945	6,265
07. Borrowers' account for loans to be disbursed	340	680
08. Securities to be settled (Purchases)	0	7
09. Amortised cost difference on equity instruments	0	0
10. Other liabilities	374	384
Total	103,113	100,607

Section G – Staff severance pay – Item G0

G.1 Staff severance pay: annual changes

Items	Total 31/12/2025	Total 31/12/2024
A. Opening balance	3,342	3,255
B. Increases	1,636	1,557
B.1 Provision for the financial year	1,523	1,416
B.2 Other changes	116	141
C. Reductions	1,823	1,470
C.1 Payments made	202	76
C.2 Other changes	1,621	1,393
D. Closing stock	3,158	3,342

Items	Total 31/12/2025	Total 31/12/2024
Total	3,158	3,342

Notes

Line B.1 "Provision for the financial year" includes the severance pay (T.F.R.) accrued during the financial year, amounting to 1,523 mgl.

Line B.2 "Other movements" comprises "Service cost" of 45 mgl., "Interest cost" of 76 mgl. and "Actuarial gains/losses" of 20 mgl. Line C.1 "Payments made" includes the "benefit paid" for IAS purposes in respect of severance pay (T.F.R.) amounting to 36 mgl..

Line C.2 "Other changes" includes the T.F.R. transferred to the Employees' Supplementary Pension Fund (external) or the INPS Treasury for 1,369 mgl.

G.2 Further information

In accordance with IAS 19, the valuation of staff severance pay was carried out using specific actuarial estimates applicable to defined-benefit schemes. Further information regarding the criteria used to carry out these estimates is provided in the Notes to the Bank's separate financial statements.

Section 10 – Provisions for risks and charges – Item 100

10.1 Provisions for risks and charges: breakdown

Items/Amounts	Total 31/12/2025	Total 31/12/2024
1. Provisions for credit risk relating to financial commitments and guarantees issued	2,788	2,394
2. Provisions for other commitments and other guarantees given	0	0
3. Company pension funds	0	0
4. Other provisions for risks and charges	3,249	2,663
4.1 legal disputes	2,802	2,417
4.2 staff costs	0	0
4.3 Other	448	24C
Total	6,037	5,058

The Provision for legal disputes also includes provisions relating to pending litigation made by Invest Banca and acquired as part of the merger.

Contingent liabilities relating to disputes where a loss is considered "possible" amount to a total of 2,063 thousand. In view of the recent initiation of administrative sanction proceedings – the outcome of which is not yet known – relating to the Bank of Italy's inspection carried out in 2025, no provisions have been made in the financial statements, particularly as the proceedings are still at an early stage and it is not yet known whether the Bank has any outstanding obligations.

10.2 Provisions for risks and charges: year-on-year changes

Items	Provisions for other commitments and other guarantees issued	Pension provisions	Other provisions	Total 31/12/2025
A. Opening balance	2,364	0	2,663	5,058
B. Increases	604	0	761	1,665
B.1 Provision for the financial year	904	0	652	1,556
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	139	136
C. Reductions	510	0	205	715
C.1 Utilisation during the financial year	510	0	205	715
C.2 Changes due to changes in the discount rate	0	0	0	0
C.3 Other changes	0	0	0	0
D. Closing stock	2,788	0	3,246	6,037

10.3 Provision for credit risk relating to financial commitments and guarantees issued

	Provisions for credit risk relating to financial commitments and guarantees issued			
	First stage	Second stage	Third stage	Total 31/12/2025
1. Commitments to disburse funds	12	0	0	12
2. Financial guarantees issued	259	71	2,446	2,776
Total	271	71	2,446	2,788

10.4 Provisions for credit risk relating to other commitments and other guarantees issued

	Provisions for credit risk relating to other commitments and other guarantees issued			
	Stage 1	Second stage	Third stage	Total 31/12/2025
1. Other commitments	0	0	0	0
2. Other guarantees given	0	0	0	0
Total	0	0	0	0

Section 13 – Company's equity – Items 120, 130, 140, 150, 160, 170 and 180

13.2 Share capital – Number of shares of the parent company: annual changes

Items/Types	Ordinary	Other
A. Shares outstanding at the start of the financial year	254.53G	0
- fully paid-up	254,539	0
- not fully paid up	0	0
A.1 Treasury shares (-)	0	0
A.2 Shares in issue: opening balance	254.53G	0
B. Increases	0	0
B.1 New issues	0	0
- for a fee:	0	0
- business combinations	0	0
- bond conversions	0	0
- exercise of warrants	0	0
- other	0	0
- free of charge:	0	0
- for employees	0	0
- in favour of directors	0	0
- other	0	0
B.2 Sale of own shares	0	0
B.3 Other changes	0	0
C. Reductions	0	0
C.1 Cancellation	0	0
C.2 Purchase of own shares	0	0
C.3 Disposals of businesses	0	0
C.4 Other changes	0	0
D. Shares in issue: closing balance	254.53G	0
D.1 Treasury shares (+)	0	0
D.2 Shares in issue at the end of the financial year	254.53G	0
- fully paid-up	254,539	0
- not fully paid up	0	0

13.3 Share capital: further information – annual changes

Items	Amounts	Number of shares	Number of shareholders
A. Opening balance	252,800	254.53G	235
B. Increases	2	2	0
B.1 Purchase of shares – New shareholders	0	0	0
B.2 From other changes	2	2	0
C. Reductions	2	2	2
C.1 Disposals – Members who have ceased to be members	2	2	2
C.2 Other changes	0	0	0
D. Closing stock	252,800	254.53G	233

13.4 Retained earnings: other information

Items	Total 31/12/2025	Total 31/12/2024
1. Share capital	252,800	252,800
2. Share premium	803	803
3. Reserves	-8,899	-17,545
3.1 Ordinary/extraordinary reserve	79,109	68,297
3.2 Statutory reserve	0	0
3.3 Reserves – First-time adoption of IAS/IFRS	-78,146	-78,146
3.4 Reserves – Way Out	3,425	3,425
3.5 Reserve for sales/redemptions of HTCS securities (OCI option)	-4,236	-4,268
3.6 Reserve for coupon payments on equity instruments	-7,938	-5,740
4. (Treasury shares)	-987	0
5. Valuation reserves	557	-1,064
5.1 Financial assets held for trading	0	0
5.2 Financial assets measured at fair value through other comprehensive income	-889	-2,547
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 of foreign investments	0	0
5.7 Hedging of cash flows	0	0
5.8 Exchange rate differences	0	0
5.9 Non-current assets held for disposal	0	0
5.10 Actuarial gains (losses) on defined benefit schemes	-687	-771
5.11 Share of valuation reserves relating to equity investments measured at fair value equity	2,134	2,253
5.12 Special revaluation legislation	0	0
6. Equity instruments	40,000	40,000
7. Profit (Loss) for the year	8,254	14,958

Items	Total as at 31 December 2025	Total 31/12/2024
Total	262.52G	28G.G52

Notes

Item 3.3 Reserves – First-time adoption of IAS/IFRS includes the FTA adjustment arising from the application of the international accounting standard IFRS 9, which came into force on 1 January 2018. Details of this item are set out at the foot of the table showing changes in equity.

Item 3.1 'Ordinary/Extraordinary Reserve' includes the reserve pursuant to Article 26(5-bis) of Decree-Law 104 of 10 August 2023, converted into Law 136 of 9 October 2023, relating to the extraordinary tax on the increase in net interest income, in respect of which a resolution was passed to redeem the reserve in accordance with the provisions of Article 1, paragraphs 69 to 73, of Law No. 199/2025, to be finalised by payment, by 30 June 2026, of the extraordinary contribution at a reduced rate (amounting to 27.5 per cent of the reserve existing as at 31 December 2025, totalling €3,286 thousand) and its subsequent settlement in the tax return for 2025. The completion of the tax settlement will result in the non-application of the legal presumption provided for in paragraph 5-ter of Article 26 of Decree-Law 104/2023 (introduced by Article 1, paragraph 68, of Law No. 199/2025) which, with effect from profit distributions made on or after 1 January 2029, would have entailed the obligation to pay the extraordinary tax (at a rate of 40 per cent) provided for in the aforementioned Article 26 of Decree-Law 104/2023 (a tax that had been suspended thanks to the creation of the reserve). As a result of the release, therefore, the reserve will be freely distributable.

13.5 Equity instruments: composition and annual changes

ISIN	Issue date	Redemption date	Issue value	Amount eligible for inclusion in the Funds Own
IT0005427023	23/11/2020	31/12/2099	1,500	1,500
IT0005429375	15 December 2020	15/12/2099	3,500	1,800
IT0005429755	21 December 2020	21 December 2099	1,000	1,000
IT0005431777	21 December 2020	21/12/2099	500	500
IT0005432130	28 December 2020	28 December 2099	3,500	3,500
IT0005439846	30 March 2021	30 March 2099	5,000	5,000
IT0005454076	11 August 2021	11 August 2099	5,000	5,000
IT0005475055	28 December 2021	28/12/2099	7,000	7,000
IT0005489601	30 March 2022	30 March 2099	3,000	3,000
IT0005566648	10 October 2023	10 October 2099	10,000	10,000
Total			40,000	38,300

Notes

The balance sheet item "130. Equity instruments" includes the Additional Tier 1 capital instruments issued during previous financial years, totalling 40,000 mgl. These instruments have been classified as Additional Tier 1 capital, in accordance with Regulation No. 575 of 2013 (CRR). For further details on the accounting treatment of these instruments, please refer to the section "Part A – Accounting Policies" of these notes to the financial statements.

Section 14 – Minority interests – Item 1G0

14.1 Breakdown of item 1G0 "Minority interests"

Company names	Total as at 31 December 2025	Total 31/12/2024
Investments in consolidated companies with significant non-controlling interests	15,176	1,255
1. Immobiliare 1884 s.r.l.	0	0
2. Cambiano Leasing S.p.A.	1,343	1,255
3. C.H. S.p.A.	13,833	0
Other shareholdings	0	0
Total	15,176	1,255

Other information

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

	Nominal value of financial commitments and guarantees issued				Total 31/12/2025	Total 31/12/2024
	Stage 1	Second stage	Stage 3	Acquired or originated		
1) Commitments to disburse funds	776.67G	84.GG4	11,846		873.51G	865,254
a) Central Banks	0	0	0		0	0
b) General government	1,748	0	0		1,748	1,830
c) Banks	0	0	0		0	2,500
d) Other financial companies	93,199	0	0		93,199	83,073
e) Non-financial companies	605,115	80,509	11,222		696,846	696,894
f) Households	76,617	4,485	623		81,725	80,957
2) Financial guarantees issued	63,572	0	0		63,572	73,423
a) Central Banks	0	0	0		0	0
b) General government	1,028	0	0		1,028	3
c) Banks	0	0	0		0	0
d) Other financial companies	605	0	0		605	5,783

	Nominal value of financial commitments and guarantees issued				Total as at 31 December 2025	Total as at 31 December 2024
	First stage	Second stage	Stage 3	Acquired or originated		
e) Non-financial companies	52,354	0	0		52,354	57,774
f) Households	9,585	0	0		9,585	9,863
Total	840,251	84.GG4	11,846		G37.0G1	G38.677

2. Other commitments and guarantees given

Portfolios	Nominal value	
	Amount as at 31 December 2025	Amount at 31 December 2024
1. Other guarantees given	12,061	13,852
<i>of which: impaired</i>	0	0
a) Central Banks	0	0
b) Public sector	0	0
c) Banks	9,728	9,728
d) Other financial companies	0	0
e) Non-financial companies	2,333	4,124
f) Households	0	0
2. Other commitments	0	0
<i>of which: impaired</i>	0	0
a) Central Banks	0	0
b) Public sector	0	0
c) Banks	0	0
d) Other financial companies	0	0
e) Non-financial companies	0	0
f) Households	0	0

3. Assets held as security for own liabilities and commitments

Portfolios	Amount as at 31 December 2025	Amount at 31 December 2024
1. Financial assets measured at fair value through profit or loss	0	0
2. Financial assets measured at fair value through other comprehensive income	0	97,045
3. Financial assets measured at amortised cost	251,653	320,199
4. Tangible assets	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 clients	576
a) purchases	370
adjusted	370
unregulated	0
b) sales	206
settled	206
unpaid	0
2. Individual portfolio management	170
3. Custody and administration of securities	4.0G5
(a) third-party securities held in custody: relating to the performance of custodian banking activities (excluding portfolio management)	0
1. securities issued by the bank preparing the financial statements	0
2. other securities	0
b) third-party securities held in custody (excluding portfolio management): other	1,460
1. securities issued by the bank preparing the financial statements	341
2. other securities	1,119
c) third-party securities held with third parties	1,519
d) own securities held with third parties	1,116
4. Other transactions	0

PART C – Information on the consolidated profit and loss account

Section 1 – Interest – Items 10 and 20

1.1. Interest income and similar income: breakdown

Items/Technical classifications	Debt Debt	Loans	Other transactions	Total 31/12/2025	Total 31/12/2024
1. Financial assets measured at fair value with an impact on profit or loss:	2,112	0	0	2,112	2,257
1.1 Assets held for trading	1,973	0	0	1,973	2,072
1.2 Financial assets designated at fair value	0	0	0	0	0
1.3 Other financial assets that must be measured at fair value	139	0	0	139	185
2. Financial assets measured at fair value with impact on comprehensive income	836	0	X	836	1,580
3. Financial assets measured at amortised cost :	13,530	121,856	X	135,386	170,844
3.1 Loans to banks	0	4,278	X	4,278	15,996
3.2 Loans to customers	13,530	117,578	X	131,107	154,849
4. Hedging derivatives	X	X	0	0	0
5. Other activities	X	X	5,624	5,624	5,553
6. Financial liabilities	X	X	X	0	0
Total	16,477	121,856	5,624	143,658	180,234
<i>of which: interest income on financial assets impaired</i>	0	6,313	0	6,313	7,268
<i>of which: interest income on finance leases</i>	0	15,844	0	15,844	20,172

Notes

The item "interest income on impaired financial assets" includes both interest on non-performing loans, amounting to €1,822 thousand, and interest on other impaired exposures, amounting to €4,006 thousand. Interest on non-performing loans comprises interest received of 159 mgl and interest accrued over time recognised under this heading in accordance with IFRS 9, amounting to 1,664 mgl.

1.2 Interest income and similar income: other information

There are no positive or negative differences arising from hedging transactions.

1.2.1 Interest income on financial assets denominated in foreign currencies

Items/Amounts	Total 31/12/2025	Total 31/12/2024
Interest income on financial assets denominated in foreign currencies	2,705	2,403

1.3 Interest expense and similar charges: breakdown

Items/Technical classifications	Liabilities	Securities	Other transactions	Total 31/12/2025	Total 31/12/2024
1. Financial liabilities measured at amortised cost	-55,752	-5,157	0	-60,909	-91,193
1.1 Amounts owed to central banks	0	X	X	0	-11,860
1.2 Bank borrowings	-4,592	X	X	-4,592	-2,237
1.3 Amounts owed to customers	-51,160	X	X	-51,160	-70,313
1.4 Securities in issue	X	-5,157	X	-5,157	-6,782
2. Financial liabilities held for trading	0	0	0	0	0
3. Financial liabilities designated at fair value	0	0	0	0	0
4. Other liabilities and provisions	X	X	-2,254	-2,254	-4,533
5. Hedging derivatives	X	X	0	0	0
6. Financial assets	X	X	X	0	0
Total	-55,752	-5,157	-2,254	-63,163	-65,726
<i>of which: interest expense on lease liabilities</i>	0	0	-513	-513	-435

1.4 Interest expense and similar charges: further information

1.4.1. Interest expense on foreign currency liabilities

Items/Amounts	Total 31/12/2025	Total 31/12/2024
Interest expense on financial liabilities denominated in foreign currencies	-1,576	-1,065

1.5 Interest expense and similar charges: differences relating to hedging transactions

There are no hedging transactions in the financial statements as at 31/12/2025

Section 2 – Commission income – Items 40 and 50

2.1 Commission income: breakdown

Type of service/Amounts	Total 31 December 2025	Total 31/12/2024	Change	% change
a) Financial instruments	4,764	3,656	1,109	30.33%
1. Placement of securities	1,81G	1,412	407	28.81%
1.1 With a firm underwriting commitment and/or on the basis of an irrevocable commitment	0	0	0	
1.2 Without an irrevocable commitment	1,819	1,412	407	28.81%

Type of services/Values	Total 31/12/2025	Total 31/12/2024	Change	% change
2. Activities relating to the receipt and transmission of orders and the execution of orders on behalf of clients	G2G	882	47	5.35%
2.1 Receipt and transmission of orders for one or more financial instruments	362	325	36	11.19%
2.2 Execution of orders on behalf of clients	568	557	11	1.94%
3. Other fees relating to activities involving financial instruments	2,016	1,362	655	48.10
of which: trading on own account	53	38	15	38.43%
of which: individual portfolio management	1,964	1,324	640	48.37%
b) Corporate Finance	0	0	0	-
1. Mergers and acquisitions advisory services	0	0	0	-
2. Treasury services	0	0	0	-
3. Other fees relating to corporate finance services	0	0	0	-
c) Investment advisory services	0	2	-2	-100.00%
d) Clearing and settlement	0	0	0	-
e) Custody and administration of securities	316	311	5	1.67%
1. Custodian bank	0	0	0	-
2. Other fees relating to custody and administration	316	311	5	1.67%
f) Central administrative services for collective portfolio management	0	0	0	-
g) Trust activities	0	0	0	-
h) Payment services	22,426	21,866	561	2.56%
1. Current accounts	15,825	16,308	-483	-2.96%
2. Credit cards	2,376	1,081	1,296	119.89%
3. Debit cards and other payment cards	2,100	2,386	-286	-11.98%
4. Bank transfers and other payment orders	2,114	2,076	38	1.82
5. Other fees relating to payment services	12	16	-4	-22.53%
i) Distribution of third-party services	4,187	4,545	-357	-7.86%
1. Collective portfolio management	0	0	0	-
2 Insurance products	3,270	3,043	227	7.45%
3 Other products	917	1,502	-584	-38.90%
of which: individual portfolio management	0	0	0	-
j) Structured finance	0	0	0	-
k) Servicing activities for securitisation transactions	232	265	-32	-12.18%
l) Commitments to disburse funds	0	0	0	-
m) Financial guarantees issued	455	539	-85	-15.69%
of which: credit derivatives	0	0	0	-
n) Financing transactions	1,195	1,040	155	14.95%
of which: factoring transactions	0	0	0	-
o) Foreign exchange trading	954	1,060	-106	-10.05%
p) Commodities	0	0	0	-
q) Other commission income	2,796	2,860	-64	-2.24%
of which: for the management of multilateral trading facilities	0	0	0	-
of which: for the management of organised trading facilities	0	0	0	-
Total	37,326	36,142	1,183	3.27%

2.2 Commission expense: breakdown

Services/Securities	Total 31/12/2025	Total 31/12/2024	Change	% change
a) Financial instruments	-2,512	-1,218	-1,294	106.25%
of which: trading in financial instruments	-359	-293	-66	22.57%
of which: placement of financial instruments	-508	-79	-429	545.51%
of which: individual portfolio management	-1,645	-846	-799	94.40%
- own	-1,645	-846	-799	94.40%
- delegated by third parties	0	0	0	-
b) Clearing and settlement	-376	-381	5	-1.35%
c) Custody and administration of securities	-157	-231	74	-32.00%
d) collection and payment services	-1,948	-1,927	-21	1.12%
of which: credit cards, debit cards and other payment cards	-1,576	-1,527	-48	3.16%
e) Servicing activities for securitisation transactions	0	0	0	-
f) Commitments to receive funds	0	0	0	-
g) Financial guarantees received	-1,038	-1,028	-10	0.98%
of which: credit derivatives	0	0	0	-
h) off-premises offering of financial instruments, products and services	-166	-182	16	-8.72%
i) Foreign exchange trading	-329	-330	1	-0.27%
j) Other commission expenses	-531	-662	131	-19.83%
Total	-7,057	-5,658	-1,066	18.44%

Section 3 – Dividends and similar income – Item 70

3.1 Dividends and similar income: breakdown

Items/Income	Total 31/12/2025		Total 31/12/2024	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading	162	0	38	0
B. Other financial assets that must be measured at fair value	112	0	35	0
C. Financial assets measured at fair value through on comprehensive income	636	0	471	0
D. Investments	0	0	0	0
Total	G0G	0	544	0

Section 4 – Net trading income – Item 80

4.1 Net trading profit: breakdown

Transactions/Income components	Capital gains (A)	Trading profits (B)	Capital losses (C)	Trading losses (D)	Net profit [(A+B) - (C+D)]
1. Financial assets held for trading	4.31G	8,037	882	3,712	7,762
1.1 Debt securities	2,760	4,019	427	2,890	3,461
1.2 Equity securities	1,559	936	455	821	1,218
1.3 O.I.C.R. units	0	0	0	0	0
1.4 Loans	0	0	0	0	0
1.5 Other	0	3,082	0	0	3,082
2. Financial liabilities held for trading	0	0	0	0	0
2.1 Debt securities	0	0	0	0	0
2.2 Liabilities	0	0	0	0	0
2.3 Other	0	0	0	0	0
3. Financial assets and liabilities: exchange rate differences exchange	0	0	0	0	0
4. Derivatives	0	0	0	207	-207
4.1 Financial derivatives	0	0	0	207	-207
- On debt securities and interest rates	0	0	0	207	-207
- On equities and share indices	0	0	0	0	0
- On currencies and gold	0	0	0	0	0
- Other	0	0	0	0	0
4.2 Credit derivatives	0	0	0	0	0
of which: natural hedges linked to the fair value option	X	X	X	X	0.00
Total	4.31G	8,037	882	3.61G	7,555

Notes

The table shows the profit attributable to the portfolio of financial assets held for trading.

Section 5 – Net result from hedging activities – Item G0

5.1 Net result from hedging activities: breakdown

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

6.1 Gains (Losses) on disposal/repurchase: breakdown

Items/Income components	Total 31/12/2025			Total 31/12/2024		
	Gains	Losses	Net Net	Profits	Losses	Net Net
A. Financial assets						
1. Financial assets measured at amortised cost	1,732	33	1,699	1,274	569	705
1.1 Loans to banks	0	0	0	0	0	0
1.2 Loans to customers	1,732	33	1,699	1,274	569	705
2. Financial assets measured at fair value with impact on comprehensive income	498	0	498	0	0	965
2.1 Debt securities	498	0	498	965	0	965
2.2 Loans	0	0	0	0	0	0
Total assets	2,230	33	2.1G7	1,274	56G	1,670
B. Financial liabilities measured at amortised cost amortised						
1. Bank borrowings	0	0	0	0	0	0
2. Amounts owed to customers	0	0	0	0	0	0
3. Securities in issue	13	0	13	20	0	20
Total liabilities	13	0	13	20	0	20

Notes

The table shows the profit or loss arising from the disposal of financial assets other than those held for trading.

Section 7 – Net gain or loss on financial assets and liabilities measured at fair value

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

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

Transactions/Income components	Capital gains (A)	Gains on disposal (B)	Capital losses (C)	Realised losses (D)	Net result [(A+B) - (C+D)]
1. Financial assets	2,300	112	528	2G	1,854
1.1 Debt securities	139	20	1	29	128
1.2 Equity securities	0	0	0	0	0
1.3 Units in O.I.C.R.s	2,028	3	0	0	2,030
1.4 Loans	133	90	527	0	-304
2. Financial assets and liabilities denominated in foreign currencies: exchange rate differences exchange	X	X	X	X	0
Total	2,300	112	528	2G	1,854

Section 8 – Net impairment losses and reversals – Item 130

8.1 Net impairment losses for credit risk relating to financial assets measured at amortised cost: breakdown

Transactions/Income components	Value adjustments (1)						Reversals of impairment losses (2)				Total 31/12/2025	Total 31/12/2024
	Stage 1	Second stage	Stage 3		Impaired Acquired or originated		First stage	Second stage	Stage 3	Impaired Acquired or originated		
			Write-off	Other	Write-off	Other						
A. Loans to banks												
- Loans	-13	-1,760	-	0	0	0	11	42	0	0	-1,720	-624
- Debt securities	-	-	-	0	0	0	0	9	0	0	9	61
B. Loans and advances to customers			-	0	0	0	0	0	0	0	0	0
- Funding	-1,407	-5,774	-	-52,665	0	0	1,441	1,732	24,449	0	-32,224	-25,771
- Debt securities	-44	0	-	0	0	0	38	0	0	0	-6	-4
Total	-1,464	-7,534	-	-52,665	0	0	1.4G0	1,784	24.44G	0	-33.G40	-26,338

The table summarises the impairment losses and reversals of impairment losses recognised in respect of the impairment of loans to customers.

8.2 Net value adjustments for credit risk relating to financial assets measured at fair value through other comprehensive income: breakdown

breakdown

Transactions/Income components	Value adjustments (1)							Reversals of impairment losses (2)				Total 31/12/2025	Total 31/12/2024
	Stage 1	Second stage	Stage 3		Acquired or originated		First stage	Second stage	Stage 3	Acquired or originated impaired loans			
			Write-off	Other	Write-off	Other							
A. Debt securities	0	0	0	0	0	0	27	0	0	0	27	227	
B. Loans													
- To customers	0	0	0	0	0	0	0	0	0	0	0	0	
- Due to banks	0	0	0	0	0	0	0	0	0	0	0	0	
of which: impaired receivables acquired or originated	0	0	0	0	0	0	0	0	0	0	0	0	
Total	0	0	0	0	0	0	27	0	0	0	27	227	

Notes

The table summarises the impairment losses and reversals recognised in respect of the impairment of financial assets measured at fair value through other comprehensive income.

Section G – Gains (Losses) arising from contractual modifications without derecognition – Item 140

G.1 Gains (Losses) arising from contractual modifications: breakdown

Items/Components of comprehensive income	31/12/2025			31/12/2024		
	Gains	Losses	Net Net	Profits	Losses	Net Net
A. Financial assets						
1.1 Loans to customers	49	-224	-174	25	-419	-395
Total	4G	-224	-174	25	-41G	-3G5

Notes

The table shows the profit or loss arising from contractual modifications to financial instruments which do not result in their derecognition from the balance sheet but only in a different method of accounting (modification accounting), which

entails the recognition in the profit and loss account of the difference between the carrying amount and the present value of the modified cash flows, discounted at the original interest rate.

Section 12 – Administrative expenses – Item 1G0

12.1 Staff costs: breakdown

Type of expense/Amounts	Total 31/12/2025	Total 31/12/2024
1) Permanent staff	-36,333	-34,882
a) wages and salaries	-24,335	-24,024
b) social security contributions	-6,658	-6,372
c) severance pay	0	0
d) social security contributions	0	0
e) provision for staff severance pay	-1,639	-1,537
f) provision for pension and similar obligations:	0	0
- defined contribution	0	0
- defined-benefit	0	0
g) contributions to external supplementary pension schemes	-1,105	-1,043
- defined-contribution schemes	-1,105	-1,043
- defined-benefit	0	0
h) costs arising from payment arrangements based on own equity instruments	0	0
i) other employee benefits	-2,596	-1,905
2) Other staff in active service	-61	-58
3) Directors and statutory auditors	-1,396	-1,130
4) Staff who have retired	0	0
5) Reimbursement of expenses for staff seconded to other companies	0	0
6) Reimbursement of expenses for third-party employees seconded to the company	-22	0
Total	-37,811	-36,071

12.2 Average number of employees by category

Description	Figures as at 31 December 2025	Figures as at 31 December 2024
Permanent staff	430	423
a) Senior management	5	5
b) Middle managers	126	117
c) Other staff	299	301
Other staff	8	2
Total	438	425

Exact number of employees by category

Description	Figures as at 31 December 2025	Figures as at 31 December 2024
Permanent staff	447	437
a) Senior management	5	5
b) Middle management	128	119
c) Other staff	314	313
Other staff	5	6
Total	452	443

12.4 Staff costs: other employee benefits

Type of expense/Amounts	Total 31/12/2025	Total 31/12/2024
1) Meal vouchers for employees	-627	-589
2) Loyalty bonus	0	0
3) Other employee-related expenses	-1,499	-1,317
4) Retirement incentives	-470	0
Total	-2.5G6	-1.G05

12.5 Other administrative expenses: breakdown

Items/Amounts	Total 31/12/2025	Total 31/12/2024	Change	% change
1. Insurance and supervision	-875	-734	-141	19.20%
2. Advertising and representation	-2,187	-1,883	-304	16.13%
3. Property rental costs	-363	-286	-77	26.92%
4. Maintenance, repair and conversion of movable and immovable property	-1,640	-1,502	-137	9.13%
5. Electricity, heating and cleaning of premises	-1,532	-1,429	-102	7.17%
6. Telex, telephone and postal services	-1,057	-1,036	-20	1.96%
7. Data processing costs	-5,353	-5,586	233	-4.17%
8. Printed matter and stationery	-241	-283	42	-14.73%
9. Fees paid to external professionals	-6,040	-5,259	-781	14.85%
10. Debt recovery costs	0	0	0	0.00%
11. Technical support and maintenance for software products	-10,473	-10,051	-423	4.20%
12. Information and searches	-1,539	-1,537	-2	0.12%

Items/Values	Total 31/12/2025	Total 31/12/2024	Change	% change
13. Charitable donations charged to the profit and loss account	-546	-8	-538	6719.63%
14. Treasury costs	-3	-2	-1	50.00%
15. Travel and transport expenses	-583	-596	13	-2.26%
16. Indirect taxes and duties	-8,327	-7,494	-833	11.11%
17. Systemic charges	-348	-3,971	3,623	-91.24%
- Contribution to the Resolution Fund – Ordinary	0	0	0	0.00%
- Contribution to the Resolution Fund – Additional	0	0	0	0.00%
- Contribution to the Interbank Deposit Protection Fund	-309	-3,971	3,662	-92.23%
18. Other miscellaneous costs	-2,189	-1,786	-404	22.62%
Total	-43.2G5	-43,444	14G	-0.34%

Notes

This item shows a reduction of €1,833 thousand (-4.05%) in the current financial year, mainly due to the non-payment of the ordinary contribution to the Ordinary Resolution Fund.

The increase recorded during the period in stamp duty expenses (+932 thousand), largely offset by the increase in recoveries from customers allocated to other operating income, was offset by the reduction in electricity costs and expenses for information and searches.

Section 13 – Net provisions for risks and charges – Item 200

13.1 Net provisions for credit risk relating to commitments to disburse funds and financial guarantees issued: breakdown

Transactions/Income components	Value adjustments (1)			Reversals of impairment (2)		Total as at 31 December 2025	Total 31 December 2024
	First and second stage	Third stage		First and second stage	Third stage		
		Write-off	Other				
A. Commitments to disburse funds	-4	0	0	2	0	-2	-5
B. Financial guarantees issued	-181	0	-720	114	396	-391	-286
Total	-186	0	-720	117	366	-363	-261

13.2 Net provisions relating to other commitments and guarantees given: breakdown

Transactions/Income components	Value adjustments (1)			Reversals of impairment losses (2)		Total 31/12/2025	Total 31/12/2024
	First and second stage	Third stage		First and second stage	Third stage		
		Write-off	Other				
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 risks and charges: breakdown

Items/Amounts	Total 31/12/2025	Total 31/12/2024
1. Provisions for ongoing litigation	-622	-155
2. Provisions for interest payable on IRES for the 2009 tax year	0	0
3. Provisions for other items	-30	-25
4. Reversals of provisions for ongoing litigation	81	1,981
Total	-571	1,801

Section 14 – Net impairment losses/reversals on tangible assets – Item 210

14.1 Net value adjustments on tangible assets: breakdown

Asset/Income component	Depreciation (a)	Impairment losses (b)	Reversals of impairment losses (c)	Net result (a+b-c)
A. Tangible assets	-5,562	0	0	-5,562
1. For operational use	-5,562	0	0	-5,562
- Owned	-3,718	0	0	-3,718
- Rights of use acquired through leasing	-1,844	0	0	-1,844
2. Held for investment	0	0	0	0
- Owned	0	0	0	0
- Rights of use acquired through leasing	0	0	0	0
3. Inventories	X	0	0	0
Total	-5,562	0	0	-5,562

Section 15 – Net impairment losses/reversals on intangible assets – Item 220

15.1 Net value adjustments on intangible assets: breakdown

Asset/Income component	Amortisation (a)	Impairment losses (b)	Reversals of impairment losses (c)	Net result (a+b-c)
A. Intangible assets	-2,010	0	0	-2,010
of which: software	-1,545			-1,545
A.1 Owned	-2,010	0	0	-2,010
- Generated internally by the company	0	0	0	0
- Other	-2,010	0	0	-2,010
A.2 Rights of use acquired through leasing	0	0	0	0
Total	-2,010	0	0	-2,010

Section 16 – Other operating income and expenses – Item 230

16.1 Other operating expenses: breakdown

Items/Amounts	Total 31/12/2025	Total 31/12/2024
1. Contingent liabilities and write-offs	-133	-277
2. Contributions to guarantee funds	0	0
3. Depreciation on third-party assets	-232	-229
4. Legal defence costs	-42	-7
5. Other expenses relating to contracts	-1,012	-978
Total	-1,418	-1,461

Notes

Item 5. Other expenses relating to contracts relates to expenses arising from financial contracts of the subsidiary Cambiano Leasing SpA.

16.2 Other operating income: breakdown

Items/Amounts	Total 31/12/2025	Total 31/12/2024
1. Reimbursements of expenditure	8,324	8,095
2. Unexpected income and write-offs of receivables	65	52
3. Other income	2,365	1,349
Total	10,753	6,466

Section 17 – Gains and losses on investments – Item 250

17.1 Gains (losses) on investments: breakdown

Items	Total 31/12/2025	Total 31/12/2024
A. Income		
1. Revaluations	0	194
2. Gains on disposals	2,454	0
3. Reversals of impairment losses	0	0
4. Other income	260	0
B. Expenses		
1. Write-downs	0	-248
2. Impairment losses	0	0
3. Losses on disposal	0	0
4. Other expenses	873	0
Net profit	1,841	442

Notes:

Line A.2 "Gain on disposal" includes gross proceeds arising from the disposal of equity investments during the financial year.

Line B.4 "Other expenses" refers to value adjustments to equity investments.

Section 18 – Net result of fair value measurements of tangible and intangible assets – Item 260

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

Asset / Income component	Revaluations (a)	Write-downs (b)	Exchange rate differences		Net result (a-b+c-d)
			Positive (c)	Negative (d)	
A. Tangible assets	0	502	0	0	-502
A.1 For functional use	0	0	0	0	0
- Owned	0	0	0	0	0
- Rights of use acquired through leasing	0	0	0	0	0
A.2 Held for investment purposes	0	502	0	0	-502
- Owned	0	502	0	0	-502
- Rights of 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 – Other	0	0	0	0	0
Total	0	502	0	0	-502

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

20.1 Gains (losses) on disposal of investments: breakdown

Income component / Amounts	Total 31/12/2025	Total 31/12/2024
A. Property	896	-236
- Gains on disposal	896	0
- Losses on disposal	0	-236
B. Other assets	-1	2
- Gains on disposals	8	11
- Losses on disposal	-9	-9
Net profit	865	-234

Section 21 – Income tax for the year on continuing operations – Item 300

21.1 Income tax for the financial year relating to continuing operations: breakdown

Income components/Amounts	Total 31/12/2025	Total 31/12/2024
1. Current tax (-)	-4,780	-986
2. Change in current tax from previous financial years (+/-)	-9	0
3. Reduction in current tax for the financial year (+)	0	0
3a. Reduction in current tax for the financial year due to tax credits under Law No. 214/2011 (+)	0	0
4. Change in deferred tax assets (+/-)	2,348	-2,095
5. Change in deferred tax assets (+/-)	-14	14
6. Tax for the financial year (-) (-1+/-2+3+3a+/-4+/-5)	-2,455	-3,067

Notes:

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

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

Income components/Amounts	Total 31/12/2025	Total 31/12/2024
- IRES	-1,746	-2,138
- IRAP	-673	-929
- Other taxes	0	0
Total	-2,418	-3,067

21.2 Reconciliation between theoretical tax charge and actual tax charge in the financial statements

Items/Amounts	IRES	Rate	IRAP	Rate
(A) Profit (Loss) from continuing operations before tax	11,431		11,431	
(B) Income tax – Theoretical charge	3,143	27.50%	637	5.57%
Decreases in the tax base	7,495	27.50%	2,953	5.57%
Increases in the tax base	9,589	27.50%	10,571	5.57%
Taxable amount	13,525		19,049	
Income tax – Effective tax charge	-3,719	27.50%	-1,061	5.57%
Other deferred/prepaid tax	1,946	27.50%	379	5.57%
Total tax	-1,773		-682	
Total tax	-2,455			
Effective tax rate	-21.48%			

Section 23 – Profit (Loss) for the year attributable to minority interests – Item 340

23.1 Breakdown of item 330 'Profit (Loss) for the year attributable to minority interests'

Company names	Total 31/12/2025	Total 31/12/2024
Consolidated investments with significant minority interests	721	70
1. Immobiliare 1884 s.r.l.	0	0
2. Cambiano Leasing S.p.A.	721	70
Other shareholdings	0	0
Total	721	70

PART D – Consolidated comprehensive income

Analytical statement of comprehensive income

	Items	31/12/2025	31/12/2024
10	Profit (Loss) for the year	8.675	15,028
	Other comprehensive income not reclassified to the profit and loss account		
20	Equity securities designated at fair value through other comprehensive income:	150	47
	a) changes in fair value	150	47
	b) transfer to other components of equity	0	0
30	Financial liabilities designated at fair value through profit or loss (changes in own credit rating)	0	0
	a) changes in fair value	0	0
	b) transfer to other components of equity	0	0
40	Hedging of equity securities designated at fair value through profit or loss comprehensive income	0	0
	a) changes in fair value (hedged item)	0	0
	b) changes in fair value (hedging instrument)	0	0
50	Tangible assets	0	0
60	Intangible assets	115	0
70	Defined benefit plans	0	-20
80	Non-current assets and disposal groups	0	0
90	Share of valuation reserves relating to equity-accounted investments	-118	0
100	Income tax relating to other income components not reclassified to the income statement	0	-10
	Other income components reclassified to the profit and loss account		
110	Hedging of foreign investments:	0	0
	a) changes in fair value	0	0
	b) reclassification to the profit and loss account	0	0
	c) other changes	0	0
120	Exchange rate differences:	0	0
	a) changes in value	0	0
	b) reclassification to the 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) reclassification to the profit and loss account	0	0
	c) other changes	0	0
	of which: net position results	0	0
140	Hedging instruments (undesignated items)	0	0
	(a) changes in fair value	0	0
	b) reclassification to the profit and loss account:	0	0
	c) other changes	0	0
150	Financial assets (other than equity securities) measured at fair value through comprehensive income:	2,352	8,484
	a) changes in fair value	2,038	7,692
	b) reclassification to the profit and loss account:	341	1,019
	- impairment adjustments	0	0
	- gains/losses on disposal	0	1,019
	c) other changes	-27	-227
160	Non-current assets and disposal groups:	0	0
	a) changes in fair value	0	0
	b) reclassification to the profit and loss account	0	0
	c) other changes	0	0
170	Share of the valuation reserves of equity-accounted investments	-147	0
	a) changes in fair value	-1	0
	b) reclassification to the profit and loss account:	-147	0
	- impairment adjustments	0	0
	- gains/losses on disposal	-147	0
	c) other changes	0	0

	Items	31 December 2025	31/12/2024
180	Income tax relating to other income components, transferred to the income statement	-786	-2,881
1G0	Total other comprehensive income	1,566	5,620
200	Total profitability (Item 10 + 1G0)	10,541	20,648
			0
210	Consolidated comprehensive income attributable to minority interests	665	70
220	Consolidated total profit attributable to the parent company	G.876	20,578

Notes

IAS/IFRS accounting standards allow financial instruments to be allocated to different business models, to which accounting criteria apply that involve recognising gains or losses directly in specific equity reserves without passing through the profit or loss account. The statement therefore allows the overall result to be assessed by taking into account the income and expense items accrued and realised during the financial year that have been recognised directly in equity, whilst offsetting those components that have already accrued and were therefore recognised in equity in previous financial years, but which are subject to a second and final recognition in the profit and loss account (so-called 'reversal') at the time of actual realisation.

PART E – Information on risks and related hedging policies

Introduction

The Group conducts its activities in accordance with sound and prudent management principles and with a moderate appetite for risk, in line with the need for stability inherent in the banking and financial sector.

The overall risk appetite is measured in summary form by identifying, within the Group's capital resources ('own funds'), a capital component not intended for risk-taking (unexpected losses), but aimed at supporting medium- to long-term development and providing capital coverage against the impacts of unexpected stress events.

The Group's internal control system ensures the implementation of corporate strategies and policies and consists of the set of rules, procedures and organisational structures designed to ensure compliance with the principles of sound and prudent management.

The corporate bodies have primary responsibility for ensuring, in accordance with their specific remits, the completeness, adequacy, effectiveness and reliability of the internal control system.

The Group has adopted a traditional governance model comprising the Board of Directors, the Board of Statutory Auditors and the General Management.

The Board of Directors is responsible for the strategic oversight and management of the Bank, in which the General Management also participates, whilst the audit function is assigned to the Board of Statutory Auditors.

The Board of Directors defines the business model by approving the strategic business plan and annual budgets, whilst being fully aware of the risks to which this model exposes the Bank and understanding the methods by which these risks are identified and assessed. The Board of Directors, always within the guidelines established at Group level, defines and approves strategic guidelines and ensures their periodic review; it establishes the risk appetite and the related tolerance thresholds, as well as risk management policies, ensuring that the Bank's structure is consistent with its activities and the business model adopted.

The Board of Directors approves, at least annually, the Group's "Risk Appetite Framework (RAF)" and "Enterprise Risk Management Policies", which define the risk appetite, tolerance thresholds, limits, and the rules and methodologies for monitoring risks. These documents set out, at the level of each individual legal entity, specific risk indicators with their associated warning thresholds, identifying the functions responsible for specific control mechanisms and establishing dedicated information flows. The Group's risk management system also includes the internal capital adequacy assessment process (ICAAP) and the internal liquidity risk governance and management system (ILAAP).

The Board of Directors is supported by the Risk Committee, an internal board body that performs advisory and propositional functions regarding risks and the internal control system.

Senior Management has a full understanding of the business 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 on the assumption of various types of risk, taking into account the stress tests conducted by the relevant functions, in accordance with the Bank's internal policies.

With a view to facilitating the development and dissemination of a culture of risk management at all levels, the General Management plans training programmes for the Bank's staff on the basis of the proposals put forward.

The Board of Statutory Auditors carries out periodic reviews to verify the completeness, adequacy, effectiveness and reliability of the internal control system.

In carrying out its duties, the Board of Statutory Auditors receives adequate information from the other corporate bodies and control functions. The Board of Statutory Auditors' regular attendance at Board meetings, which are held twice a week, ensures that the Supervisory Body is promptly informed of management developments.

The sound and prudent management of the banks is ensured by an appropriate corporate structure, which includes a comprehensive and effective internal control system.

In particular, the Group's internal control system is structured across three distinct levels:

- First-level (line) controls: designed to ensure that operations are carried out correctly. These are carried out by operational departments or incorporated into procedures and IT systems, or performed as part of back-office activities.
- Second-level controls on risks and compliance, which aim, amongst other things, to ensure:
 - the proper implementation of the risk management process;
 - compliance with the operational limits assigned to the various functions;
 - compliance of the company's operations with regulations, including self-regulatory standards.

Under the organisational structure, second-level controls are the responsibility of the Risk Management Department, the Compliance Department and the Anti-Money Laundering Department.

The functions responsible for these controls are separate from operational functions; they contribute to the definition of risk governance policies and the risk management process.

- Third-level controls (Internal Auditing): aimed at identifying breaches of procedures and regulations, as well as periodically assessing the completeness, adequacy, effectiveness and reliability of the internal control system and the information system.

The corporate control functions responsible for second- and third-level controls have the authority, resources and expertise necessary to carry out their duties.

The corporate organisation chart provides, in accordance with supervisory requirements, for the corporate control functions to report hierarchically and functionally to the Board of Directors.

The control functions have access to all activities carried out by the Bank, both at head office and at branch offices, as well as to any information relevant to the performance of their duties.

Pursuant to Law 231/01, there is a dedicated Supervisory Body of a collegial nature, tasked with assessing the proper functioning of the organisational safeguards adopted by the Bank to prevent involvement in acts punishable under and for the purposes of Law 231 of 2001.

It reports periodically, as set out in the Organisational Model, to the Bank's Board of Directors. The risks to which the Bank is or may be exposed are:

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

The focus on managing climate and environmental risks is of strategic importance. In line with the Bank of Italy's 'Supervisory Expectations', the Group has adopted an action plan that identifies the specific measures to be implemented in order to put the principles of sustainable finance into practice. A project has been underway for some time aimed at the gradual integration of climate and environmental risks into governance and control systems, the business model and corporate strategy, the organisational structure and operational processes, in accordance with supervisory expectations regarding climate and environmental risks. To ensure that the board of directors, first and foremost, and the organisational structure can effectively meet these expectations, a training programme has been launched involving members of the Board of Directors and the Board of Statutory Auditors, senior management and the heads of the main corporate functions. The ESG Project is coordinated by a cross-functional working group comprising the heads of the Compliance, Risk Management, Finance, Credit and Organisation functions.

A 'Sustainability Committee' has also been established; this is a management committee comprising the Bank's senior leadership, tasked with coordinating climate and environmental issues and supporting the Board of Directors in assessing and examining sustainability strategies relating to the Bank's operations. The ESG Action Plan, approved by the Board of Directors in December 2022 and aimed at promoting progressive alignment with expectations in the areas of credit risk and investment services, is monitored quarterly by the Sustainability Committee to assess its implementation status.

The Group, which belongs to a banking group classified, in accordance with Bank of Italy Circular 285/2013, as a Class 2 intermediary for the measurement of capital requirements against quantitative risks, adopts:

- for credit/counterparty risks and market risks, the standardised approach (TSA),
- for operational risks, the Basic Indicator Approach (BIA),
- for concentration risk and interest rate risk, the simplified methodologies set out in Annexes B and C/C bis respectively of the Bank of Italy's Circular 285/2013 and subsequent updates.

The Cambiano Banking Group, in compliance with the provisions relating to Pillar III, prepares the Public Disclosure Statement relating to the 2025 Consolidated Financial Statements, published on the Parent Company's website at the following address: <https://www.bancacambiano.it/banca/informativa-al-pubblico/>

Section 1 – Risks in the consolidated financial statements

Quantitative information

The Group's impaired loans to customers measured at amortised cost amount to a gross value of €250.75 million, to which specific value adjustments of €111.97 million are associated, resulting in a net value of €138.78 million.

The coverage ratio for impaired loans to customers measured at amortised cost as at 31 December 2025 stands at 44.65%. In particular, the aforementioned impaired loans, classified in accordance with the provisions of International Financial Reporting Standard (IFRS) 9 'Financial Instruments' in the so-called 'stage 3', include non-performing loans with a net value of €39.08 million, with a coverage ratio of 64.13 per cent, and loans in probable default with a net value of €80.89 million, with a coverage ratio of 32.95 per cent.

The Group's non-impaired loans to customers, measured at amortised cost, amount to a gross value of €2,750.80 million, to which portfolio adjustments of €21.19 million are associated, resulting in a net value of

€2,729.61 million, representing a coverage ratio of 0.77 per cent. Among these, loans to customers for non-impaired loans at higher risk are essentially classified in the so-called 'second stage', amounting to €337.52 million gross with a coverage ratio of 3.80 per cent.

A. Credit quality

A.1 Impaired and non-impaired credit exposures: balances, value adjustments, trends and economic distribution

A.1.1 Breakdown of financial assets by portfolio and credit quality (balance sheet figures)

Portfolios/quality	Non-performing loans	Probable defaults	Impaired past-due exposures	Past due exposures not impaired	Other non-impaired impaired	Total 31/12/2025
1. Financial assets measured at amortised cost	39,088	80,887	18,804	34,708	3,424,389	3,597,876
2. Financial assets measured at fair value through comprehensive income	0	0	0	0	69,664	69,664
3. Financial assets designated at fair value	0	0	0	0	0	0
4. Financial assets that must be measured at fair value	0	0	0	0	119,110	119,110
5. Financial assets being disposal	0	0	0	0	0	0
Total 31/12/2025	39,088	80,887	18,804	34,708	3,613,163	3,786,650
Total as at 31 December 2024	41,321	76,865	17,255	44,764	3,708,077	3,861,342

Notes

The table shows the classification by credit quality of the entire portfolio of financial assets, excluding equity securities and units in collective investment schemes (O.I.C.R.) amounting to 50,825 mgl. The figures shown are those reported in the financial statements, and are therefore net of the relevant write-downs.

A.1.2 Breakdown of financial assets by portfolio and credit quality (gross and net figures)

Portfolios/quality	Impaired				Non-impaired			Total (net exposure)
	Gross exposure	Value adjustments in total	Net exposure	Partial write-offs Total	Gross exposure	Value adjustments Total	Net exposure	
1. Financial assets measured at amortised cost	250,745	111,966	138,779	1,200	3,480,432	21,335	3,459,097	3,597,876
2. Financial assets measured at fair value through comprehensive income	0	0	0	0	69,677	13	69,664	69,664
3. Financial assets designated at fair value	0	0	0	0	0	0	0	0
4. Financial assets that must be measured at fair value	0	0	0	0	0	0	119,110	119,110
5. Financial assets being disposal	0	0	0	0	0	0	0	0
Total 31/12/2025	250,745	111,966	138,779	1,200	3,550,109	21,348	3,528,761	3,786,650
Total as at 31 December 2024	232,801	64,330	168,471	1,200	3,668,765	17,673	3,651,092	3,861,342

Notes

The table shows the classification by credit quality of the entire portfolio of financial assets, excluding equity securities and units in UCITS amounting to 47,577 mgl.

A.1.2 bis Breakdown of credit exposures by low credit quality assets

Portfolio quality	Assets of clearly low credit quality credit quality		Other assets
	Cumulative accumulated	Net Net	Net Net
1. Financial assets held for trading	0	0	67,219
2. Hedging derivatives	0	0	0
Total	0	0	67.21G

Section 2 – Risks in the prudential consolidation

Qualitative information

1. General aspects

The Group's strategies, Risk Appetite Framework, authorisation powers and rules for the granting and management of credit are geared towards:

- achieving a sustainable growth target for lending activities that is consistent with the Group's risk appetite and value creation;
- portfolio diversification, limiting the concentration of exposures to individual counterparties/groups and to individual sectors of economic activity;
- the efficient selection of business groups and individual borrowers, through a thorough creditworthiness analysis aimed at mitigating the risk of default;
- prioritising lending initiatives aimed at supporting the real economy and the productive sector;
- the constant monitoring of relationships, carried out both through IT procedures and through systematic surveillance of positions, with the aim of promptly identifying any signs of imbalance and promoting corrective measures designed to prevent the possible deterioration of the relationship.

The ongoing monitoring of the quality of the loan portfolio is achieved through the adoption of specific operational procedures at all stages of the credit relationship.

2. Credit risk management policies

2.1 Organisational aspects

The factors that give rise to credit risk stem from the possibility that an unexpected change in the creditworthiness of a counterparty, to whom there is an exposure, may result in a corresponding unexpected change in the current value of the related credit exposure.

Credit risk is therefore not confined solely to the insolvency of a counterparty, but also includes the mere deterioration of its creditworthiness.

The assumption and management of credit risk are regulated through the formalisation of the underlying process, setting out in detail the roles of the corporate bodies, the operations of all parties involved, defining first-level controls and clarifying the role of the control functions.

The Non-Performing Loans Division, which falls under the Business Directorate, comprises the 'Litigation Management' function, the 'Management of Anomalous Performing Loans' function and the 'Management of PD and UTP Loans' function. The Anomalous Loans Division manages, at group level and in accordance with procedures established from time to time by internal regulations, individual anomalies and positions presenting anomalous situations, regardless of whether they are classified as performing or non-performing, with the exception of non-performing loans, which are managed by the Litigation Management Function. It supports the Branch Network in carrying out peripheral monitoring of individual anomalies and problematic positions, as well as in defining and implementing corrective actions aimed at ensuring the smooth running of the credit process. This activity is designed to promote proactive credit risk management and the implementation of management strategies aimed at improving the Bank's credit quality.

The Anomalous Performing Loans Management Function, which manages positions in 'stage 2'.

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 the positions under its responsibility is carried out by adopting appropriate out-of-court measures to effectively safeguard the Bank's credit claims, and promotes all useful actions to regularise the positions under its responsibility and minimise expected losses.

The Litigation Management Function is responsible for managing positions classified as non-performing loans, in particular, it oversees debt recovery activities both through out-of-court measures—conducted directly where appropriate—and by monitoring the work carried out by external solicitors on the cases assigned to them; it provides periodic reports on the aggregate of non-performing positions and on recovery forecasts; for non-performing loans, it checks the reasonableness of solicitors' fees and takes all possible measures (e.g. drawing up agreements, performance-based arrangements, etc.) to minimise costs relating to external professionals (solicitors, technical experts, etc.), and manages activities related to mediation procedures in the context of debt recovery.

The management of impaired loans is carried out in accordance with the Service Regulations and the specific Policy on the valuation of impaired loans.

The Credit Control Function, which forms part of the Business Directorate's support staff, oversees the credit risk monitoring process at company-wide level, with a view to identifying – including on a forward-looking basis – any potential critical developments; this activity is carried out as part of second-level first-tier controls and with the aim of providing credit managers and the PD and

UTP the information required to take the necessary measures, as well as to Risk Management for the purpose of carrying out second-level checks on credit risks.

As part of the risk management and assumption procedures adopted, the first line of defence is located at branch level, both through constant and ongoing dialogue with customers and by utilising internal and external information sources, including with the aid of IT procedures.

During the credit assessment and review stages, the Bank analyses the customer's financial needs and the documentation required to carry out an adequate assessment of the borrower's creditworthiness. The decision to grant credit is therefore based both on an analysis of the complete set of information relating to the borrower and on direct knowledge of the customer and the economic context in which they operate. All assessment activities relating to the operational process – leading to the disbursement and periodic review of the credit facility – are carried out with the aim of granting an appropriate level of credit at the level of the individual borrower (and/or group), utilising the most suitable forms of credit facility and ensuring an appropriate remuneration for the risk assumed.

The Board of Directors has defined, within the framework of the "Credit Risk Regulations", the decision-making powers of each body delegated to grant credit. Compliance with the delegated powers authorised by the Board of Directors is ensured by the automatic controls provided for in the "Easy Loans" IT procedure, which is used to manage the credit assessment process.

2.2 Management, measurement and control systems

The systems for managing, measuring and controlling credit risk operate within an organisational framework that encompasses the entire credit process cycle, from the initial assessment phase through to periodic review, right up to revocation and recovery. The Group carries out quantitative and qualitative analyses for the purposes of measuring and periodically monitoring credit risk. In particular, quantitative assessments make use of various tools that provide information on the customer's economic, financial and capital position.

The Credit Department, under the Business Division, oversees and coordinates the operational stages of the performing credit process, carries out the assessment stages and makes decisions within the scope of its delegated authority, and performs the first-level controls falling within its remit. The "Non-Performing Loans Division", also under the Business Division, is responsible for supervising and coordinating the operational stages of the non-performing loan process.

To support these activities, the Bank adopts specific procedures for the assessment and approval stages, the renewal of credit facilities and the monitoring of credit risk at Group level.

During these stages, qualitative and quantitative creditworthiness assessment methodologies are used, supported by IT procedures that are subject to periodic review and maintenance.

The assessment, approval and review of credit facilities are governed by a decision-making process supported by the PEF "Easy Loans" IT procedure, which enables all functions responsible for credit management to verify the status of each position already granted or in the process of being granted, as well as to reconstruct the relevant process by tracking the decision-making path and the types of analysis carried out.

To streamline procedures, two levels of review have been established: one, a simplified process with reduced formalities, reserved for the renewal of credit facilities of limited amounts and with a regular performance history; the other, an ordinary process, for all other types of applications. The Early Management Function, within the Credit Department, aims to oversee the process of granting forbearance measures, with a view to enabling the effective identification of 'economically sustainable' forbearance measures, as well as ensuring proactive management of the first signs of irregularities and weakness on the part of the counterparty to whom credit has been granted.

The definition of criteria for the classification, assessment and management of impaired positions, and of methodologies for monitoring credit risk trends, is also intended to enable the Credit Control Office to carry out systematic monitoring of credit positions in close collaboration with Group companies.

This activity is supported by an IT procedure that enables the periodic extraction of all reports that may show signs of performance anomalies, whether internal or external.

The constant monitoring of alerts generated by the system, together with the identification of other types of events, therefore enables the Group to intervene promptly when anomalous positions arise and to take appropriate measures in cases of problematic loans.

All credit 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, due diligence, disbursement, performance monitoring and tracking of exposures, review of credit lines, classification of risk positions, actions in the event of anomalies, and criteria for the classification, assessment 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 controls are carried out by the Risk Management Function of Banca Cambiano 1884 S.p.A., to which the risk management function of Cambiano Leasing has also been outsourced; this function is required to carry out checks aimed at verifying, on a regular 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 these processes are effective and reliable in terms of their ability to promptly signal the emergence of anomalies and to ensure the adequacy of value adjustments and related write-offs.

Credit risk, like other risks, is mapped within the RAF process, which is defined by specific objectives and tolerance thresholds; the Risk Management Function therefore oversees the management of credit risk by periodically monitoring and verifying compliance with the risk objectives, operational limits and risk indicators defined by the

Board of Directors, in accordance with the procedures and timelines set out in the RAF Regulations and in the risk management processes. For details of the individual management, measurement and control systems, please refer to Section 1.4 of Part E of the Notes to the Financial Statements of Banca Cambiano 1884 S.p.A. and to 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 standardised approach.

With regard 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 of Circular 285/2013) to quantify internal capital against concentration risk for individual counterparties or groups of connected clients.

For the purposes of determining the minimum capital requirement for credit risk, the Banking Group adopts the standardised approach. With regard 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 of Circular 285/2013) to quantify internal capital against concentration risk for individual counterparties or groups of connected clients.

With regard to operations on the securities markets, the Parent Company's Finance Department carries out assessments and controls both at the time of acquiring financial instruments and at subsequent stages, during which the composition of the portfolio by asset class and IAS/IFRS portfolio is periodically analysed, the level of specific or counterparty risk is identified and determined, and compliance with the assigned limits and authorisations is verified. The results of these analyses are discussed periodically by the Finance Committee, within which the Risk Management Function presents its assessments in line with the Risk Appetite Framework.

2.3 Methods for measuring expected losses

Expected loss is calculated as the product of exposure, probability of default and Loss Given Default.

IFRS 9 provides for 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 commitments to disburse loans. This model is characterised by a forward-looking approach, which requires the immediate recognition of credit losses even if they are only expected.

The Bank's stage allocation model, based on an approach that considers each individual relationship – or tranche in the case of debt securities – for the purpose of measuring the significant increase in credit risk from the date of initial recognition of the financial instrument to the date of measurement, involves the use of both qualitative and quantitative criteria.

More specifically, the transition of a financial instrument from stage 1 to stage 2 is determined by the occurrence of one of the following variables:

- a change in the probability of default used for internal management purposes. This is, therefore, an assessment carried out using a 'relative' criterion. In accordance with the current framework of the Bank's internal rating system, this criterion stipulates that the following fall within Stage 2:
 - performing exposures with a default risk of 1, 2, 3 or 4 at the initial recognition date, for which a final classification of at least 10 has been recorded;
 - performing exposures with a default risk of 5 or 6 at the initial recognition date, for which a 'jump' of 6 classes in the internal operational PD has been recorded;
 - performing exposures with a default risk of 7, 8, 9 or 10 at the initial recognition date for which a 'jump' of 5 classes in the internal PD has been recorded;
 - performing exposures with a default risk of 11 at the initial recognition date, for which a 'jump' of 4 classes in the internal PD has been recorded;
- the presence, where applicable, of a past-due exposure which – subject to the materiality thresholds identified by the regulations – has been past due for at least 30 days. In such cases, in other words, the credit risk of the exposure is presumed to be 'significantly increased' and, consequently, the exposure is 'moved' to Stage 2 (where it was previously classified in Stage 1);
- the presence of any forbearance measures, which – again on a presumptive basis – result in the classification of exposures as having a credit risk that is 'significantly increased' compared with the initial classification;
- finally, for the purposes of transition between 'stages', certain indicators from the credit monitoring systems specifically used are taken into account. In particular, this refers to so-called 'watch-list' positions, i.e. positions subject to monitoring due to individual signs of critical issues.

The Staging Allocation model is a symmetric model; that is, it provides for movement from Stage 1 to Stage 2 and vice versa. In particular, if a financial instrument had been classified in Stage 2 at the previous balance sheet date but, at the current balance sheet date, no longer meets the requirements for recognising a provision equal to the expected losses over the entire 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 relating to the quantitative and qualitative parameters that determine the staging (for example, with regard to forborne exposures). In light of the above, following changes to these parameters and the consequent reallocation to Stage 1, it is not considered necessary to take into account further periods of retention in Stage 2, as the sustainability of the improvement in the customer's creditworthiness is already assessed during the processes set out in the relevant regulations for each staging parameter.

For the purposes of allocating exposures to the various stages as at the date of first application of the standard, performing exposures were classified in stages 1 and 2, whereas non-performing exposures were allocated to stage 3.

With regard to the latter exposures, it should be noted that the Bank adheres to the definition set out in Bank of Italy Circular No. 262/2005, namely that they correspond to the sum of past due and impaired exposures, probable defaults and non-performing loans, as defined by the 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 various credit risk stages has been determined, the expected loss – which represents an estimate of credit losses, weighted by their probability of occurrence – is calculated over a 12-month time horizon for loans classified in Stage 1, or over the entire expected remaining life of the financial instrument for loans classified in Stage 2.

A similar valuation model is therefore adopted for all loans classified in Stage 1 and Stage 2, the only distinguishing feature of which is the time horizon used to estimate the expected loss. The valuation model takes the following risk factors into account:

- **PD (Probability of Default)** – the probability of default, a parameter representing the probability that a counterparty will move from a 'performing' status to a 'default' status within a one-year time horizon (Stage 1) or over the entire expected life of the financial instrument (Stage 2). The probability of default is calculated on the basis of parameters determined internally by Banca Cambiano, followed by the inclusion of appropriate adjustments to account for the effects of so-called forward-looking information relating to the relevant macroeconomic scenarios;
- **LGD (Loss Given Default)** – the loss rate in the event of default, a parameter expressing, as a percentage, the proportion of the loss (net of recoveries) relative to the amount of the exposure that has defaulted, determined 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 varies according to the type of exposure and maturity: exposures with a 'deterministic' amortisation schedule with known cash flows and a known maturity, and 'stochastic' exposures with unknown cash flows and/or an 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. Exposures with an unknown amortisation schedule (for example, non-installment-based exposures such as current accounts) are instead valued using an EAD calculated on the basis of appropriate modelling that takes into account both the so-called 'on-balance' value of the exposure and the 'off-balance' component, which is considered potentially risky given the possibility that the customer may increase their drawdowns.

In determining expected losses, all reasonable and verifiable information available as at the balance sheet date without undue cost or effort is taken into account. The information used must take into account past events, current conditions and forecasts of future economic conditions.

Inclusion of government guarantees

With effect from the 2021 financial year, for loans granted under public guarantees established by emergency legislation, the Parent Company's Board of Directors, based on a study conducted jointly with the IT outsourcing provider and with the assistance of KPMG, has approved a new methodology for calculating impairment that takes into account the presence of the government guarantee, not least in light of the significance that such loans have assumed from the 2020–2021 financial years onwards. In particular, for the portion covered by the public guarantee, the PD and LGD parameters of the guarantor – namely the Italian State – are substituted for those of the customer, whilst for the unguaranteed portion, the customer's parameters continue to be used. The determination of the portion backed by a government guarantee also factors in the so-called residual risk, which has been prudentially set at 20 per cent; therefore, when calculating the impairment loss, the guaranteed portion is reduced by this percentage³.

Management overlays

As at 31 December 2025, the Risk Management Function assessed the adequacy of the management overlays applied to the Bank's loan portfolio, taking into account developments in the macroeconomic environment and the main sources of uncertainty relevant to the measurement of expected losses under IFRS 9. The Risk Management Function deemed it appropriate to confirm the application of the management overlays already in place since 2024, maintaining the same methods of calculation:

Exposures secured by non-residential property

With regard to loans to businesses secured by non-residential property (commercial property), the Bank maintained the relevant management overlays throughout the 2025 financial year, given the continuing high level of risk in the commercial property sector at European level. For these positions, the management overlay was determined by applying an increased Loss Given Default (LGD), consistent with recovery profiles comparable to those of unsecured exposures, in place of the standard LGD applicable to positions secured by property.

The retention of management overlays on exposures secured by non-residential property resulted, with regard to the Bank's loan portfolio as at 31 December 2025, in an increase in write-downs totalling €650 thousand, of which:

³ For example: in the case of an 80% government guarantee, 64% of the exposure is considered guaranteed ($80\% - 20\% \times 80\%$).

- €137,000 relating to exposures classified as Stage 1;
- €513,000 relating to exposures classified as Stage 2.

Management overlay on climate and environmental risks (ESG)

In line with regulatory and supervisory expectations regarding the integration of climate and environmental risks into risk management frameworks, the Bank maintained throughout the 2025 financial year the management overlays introduced to address ESG risks, as a first structured approach to incorporating these factors into the calculation of expected losses.

The add-ons applied are designed to capture, in a prudent manner, the potential effects of climate and environmental risks on the main components of the IFRS 9 model, with reference to both the probability of default of counterparties and the loss given default rates.

In particular:

- physical risk, defined as the risk of financial losses arising from extreme weather events or long-term phenomena linked to climate change. For this type of risk, the management overlay was determined by increasing the Loss Given Default applied to the most exposed counterparties, taking into account both properties used for business purposes and exposures secured by property collateral;
- transition risk, relating to the potential economic, financial and competitive impacts arising from the transition to a low-carbon economy. For counterparties most exposed to these factors, the management overlay was determined by applying a prudent increase to the Probability of Default.

The maintenance of management overlays on climate and environmental risks resulted, as at 31 December 2025, in an increase in total write-downs of €3.06 million, of which:

- €896,000 on exposures classified as Stage 1;
- €2.17 million on exposures classified as Stage 2.

The total impact of the management overlays as at 31 December 2025 therefore amounts to €3.71 million.

In line with the approach adopted by the Parent Company, specific add-ons have been applied to the impairment charges on positions classified as Stage 1 and Stage 2 for the subsidiary Cambiano Leasing, to address physical and transition climate risks, based respectively on an increase in the Loss Given Default (LGD – loss given default) and the probability of default of the counterparties most affected by these risks within the loan portfolio. Furthermore, again in line with the Parent Company's approach, the management overlays relating to property leasing contracts concerning commercial properties were maintained, applying a specific, more conservative Loss Given Default (LGD – loss given default rate). This resulted in a total add-on of 389 thousand euros for Cambiano Leasing as at 31 December 2025.

2.4 Credit risk mitigation techniques

The main tools for mitigating credit risk are the system of guarantees securing credit exposures, a low degree of concentration with respect to borrowing counterparties, and an adequate level of diversification of lending by credit type and product sector.

In particular, with regard 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 related counterparties, and to counterparties belonging to the same economic sector. These limits are constantly monitored by the Risk Management Department.

The management of collateral and the related operational processes are formalised within the Bank's internal regulatory framework.

The procedures for managing collateral are integrated into the information system, from which the key information relating to them can be obtained.

In order to mitigate credit risk, the Bank uses both security interests and personal guarantees. In particular, the main types of security interests used are property mortgages and financial security interests.

The IT system enables the entire process of acquiring, valuing, verifying and realising mortgage guarantees to be effectively monitored, identifying all relevant information. The procedure also allows for the periodic updating of the 'current' value of the security itself and for monitoring the adequacy of the security's value in relation to the approved risk. The ratio between the loan and the value of the asset serving as security is subject to constant monitoring to enable appropriate precautionary measures to be taken in the event of any downturns in the property market.

The organisational processes and operational guidelines applied to the management of pledges on financial instruments protect receivables from fluctuations in securities market prices.

Personal guarantees consist mainly of sureties provided by individuals and companies. It should also be noted that guarantees issued by specialised bodies (e.g. Confidi) and financial institutions (e.g. a government guarantee via Mediocredito Centrale pursuant to Law 662/1996) are utilised, as well as, most recently, government guarantees issued following the crisis triggered by the Covid-19 pandemic.

To date, the Bank does not use credit derivatives to hedge or transfer the risk associated with the loans in its portfolio.

The presence of security or personal guarantees is reflected in the quantification of ECLs in the financial statements.

As regards collective valuations, the main 'transmission' channel is the LGD, one of the input parameters used for the valuations: to this end, each exposure is divided into tranches, determined according to the different types of collateral securing the exposure, and a specific LGD is calculated for each tranche.

As regards analytical valuations, the existence and updating of the value of collateral are directly reflected in the case of a 'gone concern' valuation approach, applied – above certain thresholds – to all non-performing loans as well as to probable defaults where the 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 service its debt through cash flows generated by its business activities (going concern method). Under the 'gone concern' approach, specific haircuts are applied, incorporating estimates derived from auction results in property enforcement proceedings. The checks in question are carried out by centralised units separate from those responsible for granting and reviewing credit; the Internal Audit Department, through periodic checks, ensures that activities are managed correctly and prudently.

3. Impaired credit exposures

3.1 Management strategies and policies

On 27 March 2025, the Parent Company's Board of Directors approved the NPL Operational Plan (2025–2027), drawn up in accordance with the Bank of Italy's Guidelines on impaired loans.

With a view to progressively aligning coverage levels with industry averages, the Parent Company's Board of Directors, at its meeting on 19 December 2025, approved certain amendments to *Policy No. 031 – Rules for the classification and valuation of the loan portfolio*, as detailed below:

- Revision of discounting periods for positions classified as UTP:
This measure was determined on the basis of the results of the backtesting carried out by the Risk Management Department, with the aim of improving consistency between expected recovery flows and the timelines actually observed.
- Introduction of a minimum write-down percentage for non-performing exposures:
A minimum coverage level of 80 per cent has been established for all exposures that have been classified as non-performing for more than five years, in order to strengthen the prudential adequacy of the allowances and to reflect, more realistically, the reduced recoverability of the most severely impaired positions.

As a result of the above changes, positions classified as UTP recorded an increase in Expected Credit Loss of €5.25 million, whilst for positions classified as non-performing, the total increase in provisions amounted to approximately €6.10 million.

In March 2026, in line with the provisions of the 2026–2028 Strategic Plan approved by the Board of Directors on 6 March 2026, the Group's NPL Operational Plan (2026–2028) was updated once again. In the 2026–2028 NPL Operational Plan, the Group has set itself the objective of gradually aligning with the system-wide NPL ratio, as published by the Bank of Italy in its Financial Stability Reports, aiming to fall below the 5 per cent threshold from the 2027 financial year onwards.

Over the course of the Plan, the Bank is expected to reduce the gross ratio of non-performing loans to total loans from 7.60 per cent in 2025 to the targeted 4.10 per cent in 2028, partly through a phased disposal programme over the first two financial years of the Plan. In the 2025 financial year, the coverage ratio for impaired loans increased from 43.83 per cent to 47.90 per cent; the ratio of impaired loans to total loans rose from 7.07 per cent in 2024 to 7.63 per cent in 2025.

Impaired financial assets include loans that have been classified as non-performing, in probable default or past due/overdrawn for more than ninety days in accordance with the Bank of Italy's rules, which are consistent with IAS/IFRS and European supervisory regulations. The definition of impaired loans, as set out by the Bank of Italy in Circular 272 of 2008 (and subsequent updates), also aligns with the definition of 'impaired' financial assets contained in IFRS 9, resulting in all impaired loans being classified under Stage 3.

The regulations on transactions subject to forbearance require that exposures subject to forbearance measures be identified within both performing and impaired loans, defining the categories 'Forborne performing exposures' (performing loans subject to forbearance) and 'Non-performing exposures with forbearance measures' (impaired loans subject to forbearance), respectively.

The regulations define "forbearance measures" as changes to the original contractual terms and conditions, or the total or partial refinancing of the debt, which are granted to a borrower who is, or is about to be, in difficulty in meeting their financial obligations.

In classifying impaired loans, the Group applies the definitions introduced by the 7th Update to Bank of Italy Circular No. 272/2008. Specifically, impaired financial assets are categorised as non-performing loans, loans with probable defaults, and past due and/or overdrawn exposures that are impaired, in accordance with the following rules:

- **Non-performing loans:** all on-balance-sheet and 'off-balance-sheet' exposures to a party in a state of insolvency (even if not legally established) or in substantially equivalent situations, irrespective of any loss provisions made by the bank.
- **Unlikely to pay:** classification in this category is, first and foremost, the result of the bank's assessment that it is unlikely that, without recourse to measures such as the enforcement of guarantees, the debtor will fulfil their credit obligations in full (in respect of principal and/or interest). This assessment must be carried out independently of the presence of any overdue and unpaid amounts (or instalments). It is therefore not necessary to wait for an explicit sign of default (failure to repay), where there are factors indicating a risk of the debtor defaulting (for example, a crisis in the industrial sector in which the debtor operates).
- **Past due and/or over-limit impaired exposures:** cash exposures, other than those classified as non-performing or likely to default, which, as at the reporting reference date, have been past due or over the limit for more than 90 days.

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

Whilst confirming that the basis for default lies in late payments and the likelihood of the debtor’s default, the aforementioned legislation introduces certain more stringent criteria for identifying impaired exposures and for their subsequent return to performing status. In particular, the New Definition of Default sets out the criteria for identifying past-due exposures, the method for managing the indicators to be considered for the purposes of identifying probable default, the specific aspects of retail exposures, and the criteria for the return of an exposure to performing status.

Specifically, the rules introduced compared with the previously applicable legislation concern the following areas:

- new definition of ‘past due’:
 - a reduction in the ‘relative’ materiality threshold from 5% to 1% (this threshold is calculated as the ratio of the overdue and/or overdrawn amount to the customer’s total exposure, both determined at Banking Group level without offsetting against any available margins on other credit facilities);
 - introduction of a differentiated ‘absolute’ materiality threshold by type of exposure (€100 for retail and €500 for non-retail, to be compared with the debtor’s total amount past due and/or overdrawn);
 - classification of a debtor as non-performing (NPE) where both materiality thresholds are 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 in default (Non-Performing Exposure) who regularise their position;
- classification of a borrower as in default in a consistent manner across the Banking Group, i.e. across all outstanding credit obligations held by Group companies;
- classification of a borrower as in default where a restructuring involving a financial cost results in a reduction in the financial obligation of more than 1 per cent compared with the previous amount (i.e. $\Delta NPV > 1$ per cent);
- introduction of new rules for propagating, or assessing the propagation of, a position’s default status based on its link to other positions that have become non-performing;
- the bank is unable to offset existing overdue or overdrawn amounts on certain credit facilities of the borrower against other open and unused credit facilities held by the same borrower (so-called ‘available margins’).

The criteria introduced by the supervisory regulations have had an impact on the accounting classification of impaired credit exposures (Stage 3), as the supervisory provisions are considered consistent with the accounting standards set out in IFRS 9, in terms of objective evidence of impairment.

Within the three categories of impaired loans, in accordance with the regulations, loans subject to ‘forbearance measures’ (‘Non-performing exposures with forbearance measures’) are identified.

The classification as “forborne non-performing” therefore does not represent a separate category within the scope of impaired loans, but rather constitutes an additional classification that applies across the three categories mentioned above.

Information relating to impaired exposures is integrated into the information system using specific tools that support their management and highlight their status.

The Credit Control Function, on the basis of specific anomaly indicators identified both through IT procedures and internal assessments, and in accordance with the provisions of the specific internal regulations governing the process of classifying credit positions and changing their ‘status’, monitors the risk classification of positions and makes proposals to the relevant departments regarding any changes in status or the quantification of loss provisions.

With regard to performing exposures, the Bank has defined, for management purposes, the sub-categories Bonis C (watch list), Bonis D (forborne performing under probation) and Bonis E (forborne performing under probation, ex-cure period), into which exposures showing a less than fully regular credit relationship are classified.

The PD and UTP Credit Management Function is responsible for managing positions classified as past due and impaired and as probable default, promoting initiatives aimed at safeguarding the Bank’s credit interests.

Non-performing loans are managed by the Litigation Function, which assesses the actions to be taken to maximise debt recovery, including taking action against any guarantors and enforcing any available guarantees.

The assessment of the recoverability of impaired loans is carried out on the basis of the criteria defined by the Board of Directors, as set out in the specific valuation policy last updated on 27 February 2026.

Positions classified as Stage 3 are categorised according to different risk statuses and are consequently subject to either analytical or flat-rate valuation. Value adjustments on Stage 3 exposures reflect the expected loss calculated over a time horizon equal to the entire duration of the relevant exposure. As part of its valuation policies, the Bank has employed valuation processes and methods characterised by elements of subjectivity and the estimation of certain variables, such as, principally, projected cash flows, expected recovery times and the estimated realisable value of collateral, where applicable, changes to which may result in a variation in the final recoverable value; this determination was based on the information available at the valuation date, taking due account of the possible effects of the pandemic crisis. Impaired exposures that are not past due and are below a predetermined threshold, for which no objective evidence of loss has been identified, have been subject to a flat-rate assessment, which involves the statistical determination of the expected loss and, consequently, the related value adjustments for homogeneous categories of exposures (defined on the basis of the counterparty segment and the technical form).

Analytical impairment testing, however, must still be carried out whenever objective events of deterioration are identified that require a detailed analysis.

In particular, in relation to the concept of materiality referred to in the applicable accounting standards, past due and impaired exposures and probable defaults that are individually below the materiality threshold of €300,000 have been subject to impairment using the flat-rate method.

The valuation of exposures classified as non-performing is updated periodically to ensure that all events likely to affect the prospects of debt recovery are promptly reflected in the accounts.

The valuation of non-performing exposures is carried out on an analytical basis, that is, through a detailed assessment of the recoverability of individual loan positions, taking into account all factors relevant to determining the expected recovery.

The valuation of exposures classified as 'likely to default' is updated periodically to ensure the timely reflection in the accounts of all events that may affect the prospects of debt recovery, as well as to verify that the conditions for their transfer to the 'non-performing' category do not in fact exist.

For this category, value adjustments are made:

- on a case-by-case basis for positions exceeding €300,000;
- for positions at or below the €300,000 threshold, where no objective evidence of loss has been identified, using a flat-rate method based on homogeneous exposure types.

The assessment is aimed at determining any expected losses, bearing in mind, however, that positions are classified in this risk category on the basis of the Bank's judgement regarding the unlikelihood that, without recourse to measures such as the enforcement of collateral, the debtor will fully meet their credit obligations; as is well known, this assessment must be carried out independently of the presence of any amounts (or instalments), whether past due or not.

Therefore, in the case of a position classified as 'probable default', the estimated realisable value of the receivable is determined by assessing the debtor's ability to meet its obligations, measured on the basis of all available information regarding the debtor's financial position and results of operations, as well as the value of any existing collateral securing the receivables.

The recoverable amount is determined in accordance with the planned recovery strategy (distinguishing between 'going concern' and 'liquidation' scenarios), which reflects the overall level of risk, by assessing the ability to generate cash flows sufficient to repay the exposure and/or through the mere enforcement of collateral.

For positions equal to or below the threshold of €300,000, for which no objective evidence of loss has been identified, the write-down is carried out using a flat-rate method by type of homogeneous exposure.

Positions classified as past due, for which no objective evidence of loss has been identified, are assessed using a flat-rate method by type of homogeneous exposure.

The flat-rate assessment involves the statistical determination of the expected loss and, consequently, the related value adjustments.

With regard to Cambiano Leasing, management quantifies impairment losses and reversals on a quarterly basis. For exposures in Stage 1, the total value adjustments are equal to the expected loss calculated over a time horizon of up to one year, whilst for exposures in Stages 2 or 3, the total value adjustments are equal to the expected loss calculated over a time horizon equal to the entire duration of the relevant exposure. These estimates and the related assumptions are based on past experience and other factors deemed reasonable in the circumstances; they are reviewed regularly, taking into account the macroeconomic and market environment. The results of the above activities are presented by the Chief Executive to the Board of Directors for the approval of proposals to write off and impair loans. Impaired loans (Stage 3), specifically non-performing loans, loans in probable default and past-due impaired exposures, are subject to analytical assessment.

For non-performing loans, where the sum of the estimated value of the asset covered by the contract and the bank guarantee is less than the loan amount recognised in the balance sheet, an impairment loss or reversal is measured. This adjustment is determined as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the loan's original effective interest rate; in the case of a variable-rate loan, the discount rate shall be the effective rate in force on the date the loan became non-performing.

For probable defaults and impaired past-due loans, a value adjustment is also recognised when the loan amount recognised in the balance sheet exceeds the sum of the estimated value of the underlying asset and any guarantee.

For detailed information on the Group companies' impaired financial assets, please refer to Section 1 of Part E of the Notes to the Financial Statements of Banca Cambiano 1884 S.p.A. and to Section 3 of Part D of the Notes to the Financial Statements of Cambiano Leasing S.p.A.

3.2 Write-offs

With regard to impaired receivables, the Bank proceeds with the write-off – in full or in part – of uncollectible accounting entries and subsequently charges the remaining unadjusted amount to losses in the following cases:

- a) the irrecoverability of the receivable, resulting from certain and precise evidence (such as, for example, the debtor being untraceable or having no assets, failed recoveries from the enforcement of movable and immovable property, unsuccessful attachments, insolvency proceedings concluded without full reimbursement for the Bank, if there are no further enforceable guarantees, etc.);
- b) waiver of the debt, as a result of unilateral remission of the debt or the remaining balance under settlement agreements;
- c) assignments of receivables.

In certain circumstances, it is also necessary to carry out partial write-offs of gross receivables in order to bring them into line with the Bank's actual claims. Such circumstances arise, for example, in the case of uncontested rulings within insolvency proceedings, pursuant to which a claim recognised is lower than that recorded in the accounts. Furthermore, the Bank has provided for the possibility, on an annual basis, of identifying portfolios of non-performing loans to be subject to total or partial write-offs, which collectively possess the following broad characteristics such as to render the receivable irrecoverable once all actions aimed at realising the guarantees have been exhausted, in accordance with the principles previously identified and, in particular, where recovery is deemed impossible and the following characteristics are present:

- coverage ratio > 95%
- average age (defined as the period spent in 'non-performing' status) exceeding 6 years.

In the 2025 financial year, the Bank wrote off non-sold non-performing positions amounting to approximately €9 million.

3.3 Impaired financial assets acquired or originated

Under IFRS 9, loans considered impaired from the moment of initial recognition in the financial statements, due to the high credit risk associated with them, are defined as Purchased or Originated Credit Impaired Assets (POCI). Where such loans fall within the scope of impairment under IFRS 9, they are measured by recognising – from the date of initial recognition – provisions for losses covering the entire remaining life of the loan (known as the 'Expected Credit Loss lifetime'). As these are impaired loans, they are initially classified in Stage 3, subject to the possibility of being reclassified to Stage 2 during their lifetime if, based on credit risk analysis, they are no longer deemed impaired.

The Group defines "Impaired financial assets acquired or originated" as:

- credit exposures that were already impaired at the time of purchase; and
- credit exposures originated in the context of restructuring transactions involving impaired exposures that have resulted in the provision of new finance, or introduced substantial changes to the original contractual terms.

4. Financial assets subject to commercial renegotiations and exposures subject to forbearance

On 27 January 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 on 27 October 2022.

The regulations adopted by the Bank draw a distinction between commercial renegotiation measures and forbearance measures applied to existing credit relationships (so-called 'forbearance measures').

Commercial renegotiations are aimed at strengthening the relationship with the borrowing counterparty who, following a thorough assessment, is still deemed capable of meeting the financial obligations originally undertaken in a timely manner.

A forbearance measure, on the other hand, involves a change to the contractual terms in favour of debtors who, even due to temporary circumstances, are no longer able to meet the financial obligations initially agreed. The confirmed financial difficulty is therefore a decisive criterion for classifying changes to the value, timing and terms of debt repayment as a forbearance measure. Any objective indications of anomalies in the credit exposure identified by the system support the manager in their subjective (judgemental) assessment of the customer. Objective financial difficulty is always subject to a subsequent subjective assessment, which may result in the confirmation or exclusion of the customer's financial difficulty. The subjective assessment is carried out in any case, regardless of whether any actual objective anomalies are detected.

A situation of financial difficulty is deemed to be proven if the counterparty is classified as non-performing.

The approval of a loan:

- It involves carrying out procedures that include an assessment designed to verify whether the concession can be effective in restoring the debtor's independent, regular conduct, without the need for further subsequent support, thereby bringing the exposure back to a sustainable repayment situation and, in the case of non-performing exposures, with the key objective of laying the foundations for a return to performing status. The analysis carried out comprises several stages that process information of both an objective and subjective nature;
- it involves classifying the credit relationship subject to the aforementioned measure as 'forborne'. A performing counterparty that receives a concession may retain that administrative status. However, the condition must be complied with for the entire period during which the credit relationship subject to the concession retains the 'forborne' status.

Upon finalisation of the concession, an observation period begins, referred to, as appropriate, as the 'Probation Period' (two years for performing forborne exposures) or the 'Cure Period' (one year for non-performing forborne exposures). At the end of these periods, only if the borrower's behaviour is found to be genuinely compliant and the conditions set out in the relevant legislation are met, may the possibility of an upgrade in status be assessed; or, in the case of performing exposures, the removal of the 'forborne' attribute may be considered.

In light of the above, it should be noted that the nature of contractual amendments granted to customers – where these are deemed 'substantial', based on a distinction between commercial amendments and those arising from *forbearance* measures – may result in the derecognition of the financial asset from the balance sheet and the re-recognition of a new asset (so-called 'derecognition accounting'). In such a situation, and with specific reference to those positions that pass the SPPI test, the Bank, for the purposes of impairment, considers the date on which the change to the asset takes place to be the date of initial recognition. Conversely, in the case of contractual changes deemed "non-substantial" and therefore not subject to "derecognition accounting", for the purposes of impairment assessments, the date of initial recognition is taken to be the date on which the instrument was originated.

A. Nature of the credit

A.1 Impaired and non-impaired credit exposures: balances, value adjustments, trends and economic distribution

A.1.1 Prudential consolidation – Breakdown of financial assets by past due categories (balance sheet figures)

Portfolios/Risk stages	First stage			Second stage			Third stage			Impaired assets acquired or originated		
	From 1 to 30 days	From over 30 days up to 90 days	More than 90 days	From 1 to 30 days	From more than 30 days up to 90 days	More than 90 days	From 1 to 30 days	From more than 30 days up to 90 days	More than 90 days	From 1 to 30 days	From more than 30 days up to 90 days	More than 90 days
1. Financial assets measured at cost amortised	7,411	0	0	8,151	9,145	4,546	1,735	2,943	79,325	1,413	7	294
2. Financial assets measured at fair value through profit or loss comprehensive income	0	0	0	0	0	0	0	0	0	0	0	0
3. Financial assets the process of being disposed of	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL 31/12/2025	7,411	0	0	8,151	9,145	4,546	1,735	2,943	79,325	1,413	7	294
TOTAL 31/12/2024	4,848	0	0	12,248	15,363	6,762	4,427	5,866	83,611	17	0	660

The figures shown are those in the financial statements, net of related doubtful items.

A.1.2 Prudential consolidation – Financial assets, commitments to disburse funds and financial guarantees issued: trends in total value adjustments and total provisions – part 1

Reasons/risk stages	Total value adjustments					
	Assets falling within the first stage					
	Claims on banks and central banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss comprehensive income	Assets being disposed of	of which: individual write-downs	of which: collective write-downs
Total opening adjustments	0	8,546	40	0	230	8,357
Increases arising from financial assets acquired or originated	0	0	0	0	0	0
Write-offs other than write-offs	0	0	0	0	0	0
Net value adjustments/reversals due to credit risk credit risk (+/-)	0	3G	-27	0	-21	45
Contract changes without cancellations	0	0	0	0	0	0
Changes to the estimation methodology	0	0	0	0	0	0
Write-offs not recognised directly in the income statement	0	0	0	0	0	0
Other changes	0	0	0	0	0	0
Total final adjustments	0	8,585	13	0	20G	8,401
Recoveries from the realisation of financial assets written off	0	0	0	0	0	0
Write-offs recognised directly in the income statement	0	0	0	0	0	0

A.1.2 Prudential Consolidated Accounts – Financial assets, commitments to disburse funds and financial guarantees issued: trends in total value adjustments and total provisions – part 2

Reasons/risk stages	Total value adjustments					
	Assets classified in the second stage					
	Claims on banks and central banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss comprehensive income	Assets being disposed of	of which: individual write-downs	of which: collective write-downs
Total opening adjustments	0	G.086	0	0	G	G.077
Increases arising from financial assets acquired or originated	0	0	0	0	0	0
Write-offs other than write-offs	0	0	0	0	0	0
Net value adjustments/reversals due to credit risk credit risk (+/-)	0	3,781	0	0	-G	3.760
Contract amendments without cancellations	0	0	0	0	0	0
Changes to the estimation methodology	0	0	0	0	0	0
Write-offs not recognised directly in the income statement	0	0	0	0	0	0
Other changes	0	-51	0	0	0	-51
Final total adjustments	0	12,815	0	0	0	12,815
Recoveries from the collection of financial assets written off	0	0	0	0	0	0
Write-offs recognised directly in the income statement	0	0	0	0	0	0

A.1.2 Prudential consolidated accounts – Financial assets, commitments to disburse funds and financial guarantees issued: changes in total value adjustments and total provisions – part 3

Reasons/risk stages	Total value adjustments					
	Assets classified in stage 3					
	Loans to banks and central banks demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Loans and advances held for disposal	of which: individual write-downs	of which: collective write-downs
Initial total adjustments	0	G2.2G3	0	0	G2.2G3	0
Increases arising from acquired or originated	0	0	0	0	0	0
Write-offs other than write-offs	0	0	0	0	0	0
Net value adjustments/reversals for credit risk (+/-)	0	28,215	0	0	28,215	0
Contract amendments without cancellations	0	0	0	0	0	0
Changes to the estimation	0	0	0	0	0	0
Write-offs not recognised directly in the profit and loss account	0	-8.G5G	0	0	-8.G5G	0
Other variations	0	-2.G17	0	0	-2.G17	0
Final total adjustments	0	108,633	0	0	108,633	0
Recoveries from the realisation of that have been written off	0	0	0	0	0	0
Write-offs recognised directly in the income statement	0	0	0	0	0	0

A.1.2 Prudential consolidated accounts – Financial assets, commitments to disburse funds and financial guarantees issued: changes in total value adjustments and total provisions – part 4

Reasons/risk stages	Total value adjustments				
	Impaired financial assets acquired or originated				
	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss comprehensive income	Financial assets held for disposal	of which: individual write-downs	of which: collective write-downs
Total opening adjustments	2.03G	0	0	2.037	2
Increases arising from financial assets acquired or originated	0	0	0	0	0
Deletions other than write-offs	0	0	0	0	0
Net value adjustments/reversals due to credit risk (+/-)	1,307	0	0	1.2G6	11
Contract amendments without cancellations	0	0	0	0	0
Changes to the estimation methodology	0	0	0	0	0
Write-offs not recognised directly in the income statement	0	0	0	0	0
Other changes	0	0	0	0	0
Total final adjustments	3,346	0	0	3,333	13
Recoveries from the realisation of financial assets subject 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 consolidated accounts – Financial assets, commitments to disburse funds and financial guarantees issued: trends in total value adjustments and total provisions – part 5

Reasons/risk stages	Total value adjustments			Total
	Total provisions against commitments to disburse funds and financial guarantees issued			
	First stage	Stage 2	Stage 3	
Total opening adjustments	251	25	2.11G	114.3G8
Increases arising from financial assets acquired or originated	0	0	0	0
Deletions other than write-offs	0	0	0	0
Net credit risk adjustments/reversals (+/-)	20	46	327	33.70G
Contract amendments without cancellations	0	0	0	0
Changes to the estimation methodology	0	0	0	0
Write-offs not recognised directly in the profit and loss account	0	0	0	-8.65G
Other changes	0	0	0	-2.6G8
Final overall adjustments	271	71	2,446	136,180
Recoveries from the collection of financial assets subject to write-off	0	0	0	0
Write-offs recognised directly in the profit and loss account	0	0	0	

A.1.3 Prudential consolidation – 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 Stage 1 and Stage 2		Transfers between the second and third stages		Transfers between the first and third stages	
	From Stage 1 to the second stage	From the second stage to the first stage	From the second stage to Stage 3	From stage 3 to Stage 2	From stage 1 to stage 3	From stage 3 to Stage 1
1. Financial assets measured at amortised cost	126,888	46,172	27,964	2,123	24,000	1,632
2. Financial assets measured at fair value through other comprehensive income	0	4,800	0	0	0	0
3. Financial assets held for disposal	0	0	0	0	0	0
4. Commitments to disburse funds and financial guarantees issued	57,112	24,802	8,685	243	6,169	2,295
Total 31/12/2025	183,GGG	75,774	36,64G	2,366	30.16G	3.G27
Total 31/12/2024	14G.243	105,721	41,827	3,021	31,865	1.0G6

Notes:

inter-period transfers include the flows recorded for loans measured at amortised cost outstanding at the balance sheet date, which constitute new liquidity provided through public guarantee schemes introduced in response to the COVID-19 pandemic, in the form of 'New loans'.

Stage transfers carried out during the financial year are shown in the table below:

Stage	Gross amounts
1 to 2	8,066
from 2 to 1	2,619
from 1 to 3	4,835
from 3 to 1	67
2 to 3	6,225
from 3 to 2	296

A.1.4 Prudential consolidation – On-balance-sheet and off-balance-sheet credit exposures to banks: gross and net amounts – Part 1

Types of exposure/values	Gross exposure					Acquired or originated
		First stage	Stage 2	Stage 3		
A. Cash credit exposures						
A.1 On demand	121,808	121,808	0	0	0	0
a) Impaired	0	X	0	0	0	0
b) Not impaired	121,808	121,808	0	0	X	0
A.2 Other	76,280	76,280	0	0	0	0
a) Non-performing loans	0	X	0	0	0	0
- of which: exposures subject to concessions	0	X	0	0	0	0
b) Probable defaults	0	X	0	0	0	0
- of which: exposures subject to concessions	0	X	0	0	0	0
c) Past due and impaired exposures	0	X	0	0	0	0
- of which: exposures subject to concessions	0	X	0	0	0	0
d) Past due exposures not impaired	0	0	0	X	0	0
- of which: exposures subject to concessions	0	0	0	X	0	0
e) Other non-impaired exposures	76,280	76,280	0	X	0	0
- of which: exposures subject to concessions	0	0	0	X	0	0
TOTAL A	1G8.087	1G8.087	0	0	0	0
B. Off-balance-sheet credit exposures						
(a) Impaired	0	X	0	0	0	0
b) Not impaired	10,143	10,143	0	X	0	0
TOTAL B	10,143	10,143	0	0	0	0
TOTAL A + B	208,230	208,230	0	0	0	0

A.1.4 Prudential consolidation – On-balance-sheet and off-balance-sheet credit exposures to banks: gross and net amounts – Part 2

Types of exposures/amounts	Total value adjustments and total provisions				Net exposure	Total partial write-offs (*)
	First stage	Stage 2	Stage 3	Impaired assets acquired or originated		
A. Cash credit exposures						
A.1 On demand	0	0	0	0	121,808	0
a) Impaired	0	X	0	0	0	0
b) Not impaired	0	0	X	0	121,808	0

Exposure types/values		Total value adjustments and total provisions				Net exposure	Total partial write-offs (*)
		Stage 1	Stage 2	Stage 3	Impaired assets acquired or originated		
A.2 Other	27	27	0	0	0	76,253	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) Past due and impaired exposures	0	X	0	0	0	0	0
- of which: exposures subject to concessions	0	X	0	0	0	0	0
d) Past due exposures not impaired	0	0	0	X	0	0	0
- of which: exposures subject to concessions	0	0	0	X	0	0	0
e) Other non-impaired exposures	27	27	0	X	0	76,253	0
- of which: exposures subject to concessions	0	0	0	X	0	0	0
TOTAL A	27	27	0	0	0	168,061	0
B. Off-balance-sheet credit exposures							
(a) Impaired	0	X	0	0	0	0	0
b) Not impaired	0	0	0	X	0	10,143	0
TOTAL B	0	0	0	0	0	10,143	0
TOTAL A + B	27	27	0	0	0	208,203	0

Notes

The table shows the breakdown by credit quality of the Group's banking relationships. In particular, it includes 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 through other comprehensive income" and "40 – Financial assets measured at amortised cost (a) receivables from banks".

Excluded are equity securities and units in UCITS amounting to 55,084 mgl, and securities issued by non-bank counterparties amounting to 250,362 mgl.

A.1.5 Prudential consolidation – On-balance-sheet and off-balance-sheet credit exposures to customers: gross and net figures – part 1

Types of exposure/values		Gross exposure			
		First stage	Stage 2	Stage 3	Acquired or originated impaired exposures
A. Cash credit exposures					
a) Non-performing loans	108,962	X	0	108,452	0
- of which: exposures subject to concessions	2,147	X	0	2,147	0
b) Probable defaults	120,637	X	0	112,688	7,950
- of which: exposures subject to concessions	65,048	X	0	62,316	2,732
c) Past due and impaired exposures	21,146	X	0	21,115	32
- of which: exposures subject to concessions	781	X	0	781	0
d) Past due exposures not impaired	30,198	7,481	22,717	X	0
- of which: exposures subject to concessions	3,231	0	3,231	X	0
e) Other non-impaired exposures	3,627,244	3,245,484	314,703	X	599
- of which: exposures subject to concessions	42,699	0	42,602	X	96
TOTAL A	3,608,187	3,252,665	337,420	242,254	8,580
B. Off-balance-sheet credit exposures					
a) Impaired	11,846	X	0	11,846	
b) Not impaired	921,712	836,717	84,994	X	
TOTAL B	933,558	836,717	84,994	11,846	
TOTAL A + B	4,541,745	4,089,382	422,414	254,100	8,580

A.1.5 Prudential consolidation – On-balance-sheet and off-balance-sheet credit exposures to customers: gross and net figures – part 2

Types of exposures/amounts	Total value adjustments and provisions					Net exposure	Total partial write-offs (*)
	Total	First stage	Stage 2	Stage 3	Impaired exposures acquired or originated		
A. Cash credit exposures							0
a) Non-performing loans	69,874	X	0	69,443	431	39,088	0
- of which: exposures subject to concessions	487	X	0	487	0	1,659	1,200
b) Probable defaults	39,750	X	0	36,853	2,897	80,887	0
- of which: exposures subject to concessions	23,238	X	0	22,501	737	41,810	0
c) Past due and impaired exposures	2,342	X	0	2,337	0	18,804	0
- of which: exposures subject to concessions	62	X	0	62	0	719	0
d) Past due exposures not impaired	944	69	875	X	0	29,253	0
- of which: exposures subject to concessions	224	0	224	X	0	3,007	0

Exposure categories/values	Total value adjustments and provisions in total					Net exposure	Total partial write-offs (*)
		First stage	Stage 2	Stage 3	Acquired or originated impaired exposures		
e) Other non-impaired exposures	20,755	8,802	11,941	X	13	3,606,489	0
- of which: exposures subject to concessions	992	0	991	X	0	41,707	0
TOTAL A	133,666	8,872	12,815	108,633	3,341	3,774,521	0
B. Off-balance-sheet credit exposures							
a) Impaired	2,446	X	0	2,446	0	9,400	0
b) Not impaired	342	271	71	X	0	921,369	0
TOTAL B	2,788	271	71	2,446	0	G30,770	0
TOTAL A + B	136,454	G.143	12,887	111.07G	3,341	4,705.2G1	0

Notes

The table shows the breakdown by credit quality of loans to customers. In particular, it includes all financial assets relating to customers arising from the balance sheet items "20 – Financial assets measured at fair value through profit or loss", "30 – Financial assets measured at fair value through other comprehensive income" and "40 – Financial assets measured at amortised cost (b) loans to customers". Excluded are equity securities and units in UCITS amounting to 56,838 mgl, and securities issued by banks amounting to 19,167 mgl.

Cash credit exposures include loans outstanding as at the balance sheet date, which constitute new liquidity granted through public guarantee schemes introduced in response to the COVID-19 pandemic.

The table below shows, for the various categories of assets (impaired/unimpaired), the gross exposure and total value adjustments.

Types of exposures/values	Gross exposure	Total impairment losses
Impaired exposures	22,856	5,156
a) Non-performing loans	0	0
b) Probable defaults	17,461	4,695
c) Past due and impaired exposures	5,395	461
Non-impaired exposures	146,880	602
d) Performing loans – Stage 2	27,607	404
e) Performing loans – stage 1	119,273	198
Grand total	169,736	5,758

A.1.7 Prudential consolidated accounts – On-balance-sheet credit exposures to customers: trends in gross impaired exposures

Reasons/Categories	Non-performing loans	Defaulted Probable	Past due Impaired
A. Initial gross exposure	93,419	119,513	19,869
- of which: exposures sold but not derecognised	0	0	0
B. Increases	57,521	0	0
B.1 Additions from non-impaired exposures	9,387	58,404	20,764
B.2 Additions from acquired or originated impaired financial assets	0	0	0
B.3 transfers from other categories of impaired exposures	37,516	5,234	0
B.4 contractual modifications without write-offs	0	73	0
B.5 Other increases	10,618	3,701	27
C. Decreases	0	0	0
C.1 Outflows to non-impaired exposures	0	2,584	1,209
C.2 write-offs	8,959	0	0
C.3 receipts	33,019	25,663	6,208
C.4 Proceeds from disposals	0	0	0
C.5 losses on disposals	0	0	0
C.6 Transfers to other categories of impaired exposures	0	31,897	11,584
C.7 Contractual modifications without write-offs	0	0	0
C.8 Other decreases	0	6,143	512
D. Final gross exposure	108,962	120,637	21,146
- of which: exposures transferred but not derecognised	0	0	0

Items C.4 and C.5 show without recourse sales of impaired loans completed by the Bank during the financial year.

A.1.7 bis Prudential Consolidated Accounts – On-balance-sheet credit exposures to customers: changes in gross exposures subject to credit facilities, broken down by credit quality

Reasons/Categories	Exposures subject to concessions: impaired	Exposures subject to concessions: non-impaired
A. Initial gross exposure	71,406	51,744

Reasons/Categories	Exposures subject to concessions: impaired	Exposures subject to concessions: not impaired
- of which: exposures sold but not derecognised	0	0
B. Increases	15.0G3	G.6G1
B.1 additions from non-impaired exposures not subject to concessions	5,488	8,226
B.2 additions from non-impaired assets subject to concessions	9,481	0
B.3 additions from impaired exposures subject to concessions	0	1,446
B.4 other increases	33	0
C. Decreases	18,524	15,775
C.1 Outflows to non-impaired exposures not subject to concessions	0	6,066
C.2 Outflows relating to non-impaired exposures subject to concessions	1,446	0
C.3 Outflows relating to impaired exposures subject to concessions	0	9,483
C.4 write-offs	0	0
C.5 receipts	1,979	226
C.6 Proceeds from disposals	0	0
C.7 losses on disposals	0	0
C.8 Other decreases	15,099	0
D. Final gross exposure	67.G75	45.G30
- of which: exposures transferred but not written off	0	0

A.1.G Prudential Consolidated – Impaired on-balance-sheet credit exposures to customers: changes in total value adjustments

General/Categories	Non-performing loans		Probable defaults		Past due exposures impaired	
	Total	of which: exposures subject to concessions	Total	of which: exposures subject to concessions	Total	of which: exposures subject to concessions
A. Total opening adjustments	52.0G8	440	3G.61G	24,453	2,614	86
- of which: exposures transferred but not derecognised	0	0	0	0	0	0
B. Increases	31,883	86	21.52G	12,022	2.16G	62
B.1 Value adjustments on financial assets that are impaired, acquired or originated	0	0	0	0	0	0
B.2 Other value adjustments	5,443	45	6,190	5	404	0
B.3 losses on disposals	0	0	0	0	0	0
B.4 transfers from other exposure categories impaired	13,318	41	687	340	0	0
B.5 Contract amendments without cancellations	0	0	0	0	0	0
B.6 Other increases	13,122	0	14,653	11,676	1,764	62
C. Decreases	14,106	3G	21,3G8	13,240	2,440	86
C.1 Reversals of impairment losses	2,992	0	7,756	7,075	203	0
C.2 Reversals of impairment losses on recoveries	179	39	46	0	373	0
C.3. Gains on disposals	0	0	0	0	0	0
C.4 write-off	8,959	0	0	0	0	0
C.5 transfers to other exposure categories impaired	0	0	12,272	41	1,732	0
C.6 Contract amendments without cancellations	0	0	0	0	0	0
C.7 Other decreases	1,977	0	1,323	6,123	132	86
D. Total final adjustments	6G,874	487	3G,750	23,235	2,342	62
- of which: exposures sold but not derecognised	0	0	0	0	0	0

A.2 Classification of financial assets, commitments to disburse funds and financial guarantees issued, based on external and internal ratings

A.2.1 Breakdown of financial assets, commitments to disburse funds and financial guarantees issued: by external rating class (gross figures)

Exposures	External rating classes						Unrat ed	Total 31/12/2025
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6		
A. Financial assets measured at amortised cost amortised								
- First stage	0	0	653,432	0	0	0	2,488,964	3,142,396
- Second stage	0	0	0	0	0	0	337,420	337,420
- Third stage	0	0	0	0	0	0	242,254	242,254
- Impaired assets acquired or originated	0	0	0	0	0	0	9,089	9,089
B. Financial assets measured at fair value with impact on comprehensive income								
- Stage 1	0	0	69,677	0	0	0	0	69,677
- Second stage	0	0	0	0	0	0	0	0
- Third stage	0	0	0	0	0	0	0	0
-Acquired or primary impairment	0	0	0	0	0	0	0	0
Total (A + B)	0	0	723.10G	0	0	0	3,077,727	3,800,836

Exposures	External rating classes						Unrated	Total 31/12/2025
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6		
C. Commitments to disburse funds and financial guarantees								
Financial guarantees issued								
- First stage	0	0	0	0	0	0	840,251	840,251
- Second stage	0	0	0	0	0	0	84,994	84,994
- Third stage	0	0	0	0	0	0	11,846	11,846
- Impaired financial assets acquired or originated	0	0	0	0	0	0	0	0
Total (C)	0	0	0	0	0	0	G37.0G1	G37.0G1
Total (A + B + C)	0	0	723.10G	0	0	0	4,014,818	4,737.627

Key:

Class 1 = AAA/AA – Class

2 = A+/A- – Class 3 =

BBB+/BBB- – Class 4 =

BB+/BB- – Class 5 = B+/B-

– Class 6 = Below B-

A.3 Breakdown of secured exposures by type of security
A.3.2 Prudential consolidation – Secured on-balance-sheet and off-balance-sheet credit exposures to customers – part 1

Items	Gross exposure	Net exposure	Security interests (1)			
			Mortgage d property	Property – finance for leasing	Securities	Other secured
1. Secured credit exposures:						
1.1 fully secured	1,957,788	1,896,062	1,401,254	0	15,896	16,219
- of which impaired	138,577	85,518	54,584	0	0	103
1.2 partially guaranteed	287,495	278,376	156	0	15,616	10,387
- of which impaired	18,135	0	15C	0	0	150
2 Off-balance-sheet credit exposures secured:						
2.1 fully secured	115,524	115,524	2,960	0	5,546	6,608
- of which impaired	5,044	5,044	141	0	14	251
2.2 partially guaranteed	52,249	52,249	0	0	5,101	2,058
- of which impaired	1.84C	1.84C	0	0	30	48

A.3.2 Secured credit exposures to customers – part 2

Items	Personal guarantees (2)									Total (1)+(2)
	Credit derivatives					Unsecured loans				
	CLN	Other derivatives				Public sector	Banks	Other financial institutions	Other entities	
		Central counterpar ties	Banks	Other financial	Other entities					
1. Credit exposures for secured on a cash basis:										
1.1 fully secured	0	0	0	0	0	234,214	0	6,865	218,356	1.8G2,804
- of which impaired	0	0	0	0	0	24,076	0	129	10,064	8G.355
1.2 partially guaranteed	0	0	0	0	0	117,768	0	1,633	70,359	215.G1G
- of which impaired	0	0	0	0	0	8,333	0	16	2,348	11,003
2 Credit exposures not the balance sheet:										
2.1 fully secured	0	0	0	0	0	12,042	0	820	87,455	115,432
- of which impaired	0	0	0	0	0	606	0	0	3,991	5,044
2.2 partially guaranteed	0	0	0	0	0	12,182	0	701	10,915	30.G57
- of which impaired	0	0	0	0	0	524	0	0	851	1,453

B. Distribution and concentration of credit exposures
B.1 Prudential consolidation – Sectoral distribution of ‘off-balance sheet’ cash credit exposures to customers (carrying amount) – part 1

Exposures/Counterparties	General government		Financial companies		Financial companies (of which: insurance companies)	
	Net exposure	Total in total	Net exposure	Value adjustment s Total	Net exposure	Value adjustment s Total
A. Cash exposure						
A.1 Non-performing loans	0	0	10	439	0	0
- of which: exposures subject to concessions	0	0	0	0	0	0
A.2 Probable defaults	0	0	1,209	302	0	0
- of which: exposures subject to concessions	0	0	1,142	258	0	0
A.3 Past due and impaired exposures	0	0	20	5	0	0
- of which: exposures subject to concessions	0	0	0	0	0	0
A.4 Non-impaired exposures	788,110	209	123,249	455	30,751	0

Exposures/Counterparties	General government		Financial companies		Financial companies (of which: insurance companies)	
	Net exposure	Total in total	Net exposure	Total value adjustments Total	Net exposure	Value adjustments Total
- of which: exposures subject to concessions	0	0	0	0	0	0
TOTAL A	788,110	20G	124.48G	1,201	30,751	0
B. 'Off-balance sheet' exposures						
B.1 Impaired exposures	0	0	0	0	0	0
B.2 Non-impaired exposures	2,776	0	93,784	20	1,293	0
TOTAL B	2,776	0	G3,784	20	1.2G3	0
TOTAL (A+B) 31/12/2025	7G0.886	20G	218,273	1,221	32,044	0
TOTAL (A+B) 31/12/2024	841,310	227	202.5G4	772	33,057	0

B.1 Prudential consolidation – Sectoral breakdown of 'off-balance sheet' cash credit exposures to customers (carrying amount) – part 2

Exposures/Counterparties	Non-financial corporations		Households		TOTAL	
	Net exposure	Total value adjustments Total	Net exposure	Total value adjustments Total	Net exposure	Total value adjustments
A. Cash exposure						
A.1 Non-performing loans	29,369	58,511	9,709	10,924	39,088	69,874
- of which: exposures subject to concessions	1.C55	487	0	0	1.C55	487
A.2 Probable defaults	63,500	31,564	16,178	7,884	80,887	39,750
- of which: exposures subject to concessions	31.7C5	18,044	8.858	4.537	41,810	23,238
A.3 Past due and impaired exposures	13,560	1,365	5,224	973	18,804	2,342
- of which: exposures subject to concessions	C35	53	84	5	715	C2
A.4 Exposures not impaired	1,476,458	17,567	1,247,925	3,469	3,635,742	21,700
- of which: exposures subject to concessions	21.C50	72C	23,024	450	44,714	1.21C
TOTAL A	1,582,887	10G.006	1.27G.035	23,250	3,774,521	133,666
B. 'Off-balance sheet' exposures						
B.1 Impaired exposures	8,361	2,446	1,039	0	9,400	2,446
B.2 Non-impaired exposures	734,679	308	90,130	14	921,369	342
TOTAL B	743,040	2,754	G1.16G	14	G30,770	2,788
TOTAL (A+B) 31/12/2025	2,325.G27	111,760	1,370,205	23,264	4,705.2G1	136,454
TOTAL (A+B) 31/12/2024	2,331.6G4	G4,060	1,36G.658	1G.301	4,745,257	114,361

B.2 Prudential consolidation – Geographical breakdown of on-balance-sheet and off-balance-sheet credit exposures to customers (carrying amount)

Exposure/Geographical areas	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	Net exposure	Total value adjustments Net	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. Cash exposures										
A.1 Non-performing loans	39,088	69,874	0	0	0	0	0	0	0	0
A.2 Probable defaults	80,887	39,750	0	0	0	0	0	0	0	0
A.3 Past due exposures impaired	18,804	2,342	0	0	0	0	0	0	0	0
A.4 Non-impaired impaired	3,528,506	21,545	74,778	22	14,856	119	669	3	16,932	11
TOTAL (A)	3,667,285	133,511	74.77G	22	14,856	11G	66G	3	16.G32	11
B. Off-balance-sheet the balance sheet"										
B.1 Impaired exposures	9,400	2,446	0	0	0	0	0	0	0	0
B.2 Non-impaired exposures impaired	921,145	342	225	0	0	0	0	0	0	0
TOTAL (B)	G30,545	2,788	225	0	0	0	0	0	0	0
TOTAL (A + B) 31/12/2025	4.5G7,830	136.2 days	75,003	22	14,856	11G	66G	3	16.G32	11
TOTAL (A + B) 31/12/2024	4,634,268	114.2G8	7G.756	20	G.522	2G	713	1	20.GG7	12

Exposure/Geographical areas	TOTAL	
	Net exposure	Overall value adjustments in total
A. Cash exposures		
A.1 Non-performing loans	39,088	69,874
A.2 Probable defaults	80,887	39,750
A.3 Past due and impaired exposures	18,804	2,342
A.4 Exposures not impaired	3,635,742	21,700
TOTAL (A)	3,774,521	133,666
B. 'Off-balance sheet' exposures		
B.1 Impaired exposures	9,400	2,446
B.2 Non-impaired exposures	921,369	342
TOTAL (B)	G30,770	2,788
TOTAL (A + B) 31/12/2025	4,705.2G1	136,454

Exposure/Geographical areas	TOTAL	
	Net exposure	Comprehensive Total
TOTAL (A + B) 31/12/2024	4,745,257	114,361

Notes

The cash credit exposures shown in the table (3,751,719 mgl.) are those recognised in the balance sheet net of outstanding liabilities and showing the total value adjustments.

In particular, the table includes all financial assets due from customers arising from the balance sheet items “20 – Financial assets measured at fair value through profit or loss”, “30 – Financial assets measured at fair value through other comprehensive income” and “40 – Financial assets measured at amortised cost (b) loans to customers”. Excluded are equity securities and units in UCITS amounting to 55,084 mgl, and securities issued by banks amounting to 2,612 mgl.

B.3 Prudential consolidation – Geographical breakdown of on-balance-sheet and “off-balance-sheet” credit exposures to banks (carrying amount) – part 1

Exposure/Geographical areas	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	Net exposure	Total value adjustments Net	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
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-impaired impaired	112,699	2	76,629	25	722	0	8,010	0	2,612	0
TOTAL (A)	112.6 days	2	76.62G	25	722	0	8,010	0	2,612	0
B. Off-balance-sheet balance sheet										
B.1 Impaired exposures	0	0	0	0	0	0	0	0	0	0
B.2 Non-impaired exposures impaired	9,836	0	306	0	0	0	0	0	0	0
TOTAL (B)	6.836	0	306	0	0	0	0	0	0	0
TOTAL (A + B) 31/12/2025	122,536	2	76.635	25	722	0	8,010	0	2,612	0
TOTAL (A + B) 31/12/2024	210.0 days	12	76.830	25	2,018	0	20	0	6,785	0

B.3 Prudential consolidation – Geographical breakdown of on-balance-sheet and ‘off-balance-sheet’ credit exposures to banks (carrying amount) – part 2

Exposure/Geographical areas	TOTAL	
	Net exposure	Total value adjustments Total
A. Cash exposures		
A.1 Non-performing loans	0	0
A.2 Probable defaults	0	0
A.3 Past due and impaired exposures	0	0
A.4 Exposures not impaired	200,672	27
TOTAL (A)	200,672	27
B. ‘Off-balance sheet’ exposures		
B.1 Impaired exposures	0	0
B.2 Non-impaired exposures	10,143	0
TOTAL (B)	10,143	0
TOTAL (A + B) 31/12/2025	210,815	27
TOTAL (A + B) 31/12/2024	268,751	37

Notes

The amounts shown as cash balances with banks (186,831 mgl.) are those reported in the balance sheet, net of doubtful debts.

In particular, all financial assets due from banks arising from the balance sheet items “20 – Financial assets measured at fair value through profit or loss”, “30 – Financial assets measured at fair value through other comprehensive income” and “40 – Financial assets measured at amortised cost (a) receivables from banks” are included.

Excluded are equity securities and units in UCITS totalling 55,084 mgl, and securities issued by non-bank counterparties totalling 250,362 mgl.

The figures are broken down geographically according to the counterparty’s country of residence.

C. Securitisation transactions

Qualitative information

Since the end of September 2023, Banca Cambiano has been involved as Originator, Servicer and Junior Noteholder in the “Pontormo SME 2023” securitisation transaction (the “Transaction”), which uses Pontormo SME 2023 s.r.l. as its special purpose vehicle; this company’s sole purpose is to carry out one or more securitisation transactions involving receivables, and it is registered under no. 48473.3 in the list of special purpose vehicles maintained by the Bank of Italy. The following sections will

the objectives of the Pontormo SME 2023 Transaction, the main characteristics of the notes issued and a selection of quantitative information relating to the 2025 financial year.

Purpose and structure of the Pontormo SME 2023 transaction

The objective set by the Bank in launching the transaction was to convert a portion of its lending assets (loans granted to SMEs and backed by a guarantee issued by the Central Guarantee Fund) into an ABS note (Class A) note, which, through its subscription by a third-party investor, could contribute to the extension and stabilisation of liabilities, with benefits in terms of the NSFR ratio. The Transaction commenced with the signing of the transfer agreement on 6 September 2023, through which the Bank transferred a portfolio of loans characterised as receivables identifiable in their entirety under the Securitisation Act, classified as 'performing' in accordance with current supervisory regulations and arising from loan agreements granted to SMEs and backed by a guarantee issued by the Central Guarantee Fund for SMEs. Set out below are some of the main general eligibility criteria for the assigned loans:

- The loans are denominated in euros;
- The loans are backed by a guarantee from the Central Guarantee Fund for SMEs, established pursuant to Article 2, paragraph 100, subparagraph (a) of Law No. 662 of 23 December 1996;
- The loans are granted to borrowers who, in accordance with the classification criteria adopted by the Bank of Italy in Circular 140 of 11 February 1991 (as subsequently amended), fall within one of the following SAE (economic activity sector) categories: SAE code 614 (excluding personal loans and residential mortgages granted to individuals), SAE code 615 (excluding personal loans and residential mortgages 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 disbursed in full, have no overdue or unpaid instalments, are at a variable rate and mature between the end of August 2026 and the end of August 2033;
- No party is an employee and/or director of the Bank, nor is any party in which the Bank holds a stake.

The Bank acts as the servicer for its own portfolio transferred to the special purpose vehicle (SPV).

As consideration for the purchase of the receivables, the SPV paid the Bank a price of €122,376,127.21, corresponding to the outstanding debt of the portfolio transferred as at 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 Act, of the following classes of securities:

- Senior (Class "A" security): €100,000,000
- Junior (Class "J" security): €24,627,000

The Senior security was subscribed by Banco BPM S.p.A, whilst the Junior security – which finances not only the purchase of the portion of the portfolio not covered by the proceeds from the Senior security but also the Cash Reserve, the Retention Amount and the closing costs of the transaction – was subscribed by Banca Cambiano.

Subscriber	ISIN	Class	Nominal value at issue	Outstanding amount as at 31 December 2025	Outstanding amount after redemption 26 January 2026
Banco BPM S.p.A	IT0005562597	Class A	100,000,000	32,984,162	24,101,197
Banca Cambiano	IT0005562613	Class J	24,627,000	24,627,000	24,627,000

The securities are all held in dematerialised form with Monte Titoli S.p.A. and neither is listed nor rated. The Senior security pays interest at a variable rate linked to the 3-month Euribor plus a spread of 1.25%, whilst the Junior security, on the other hand, does not have a fixed coupon and will not receive any cash flows until the Senior security has been fully repaid. In other words, until the Senior security has been fully repaid, all cash flows from the portfolio exceeding the payment of expenses and interest on Class A are used to repay the principal of the latter. All payments under the transaction (expenses, interest and principal) are made quarterly (on the 25th of January, April, July and October).

The characteristics of the securities issued are set out below:

Class A
Currency: Euro
Amount at issue: 100,000,000
Rate: 3-month Euribor + 1.25% spread (floor of 0% on the final rate)
Coupon: quarterly
Maturity date: July 2043
Redemption: amortisation linked to recoveries on the underlying receivables
Rating as at 31 December 2024: unrated
Listing: unlisted ISIN:
IT0005562597

Governing law: Italian law. Issuer: Banco BPM S.p.A

Class J Currency:

Euro

Issue amount: 24,627,000

Rate: additional yield (only upon redemption of the senior security) Coupon: quarterly (only upon redemption of the senior security)

Maturity date: July 2043

Redemption: amortisation linked to recoveries on the underlying receivables (only upon redemption of the senior security) Rating as at 31 December 2024: unrated

Listing: unlisted ISIN:

IT0005562613

Governing law: Italian law. Underwriter: Banca Cambiano

The Junior notes include in their principal amount:

- a cash reserve ("Cash Reserve Amount") equal to 2 per cent of the nominal value of the Senior Note issued, i.e. equal to euro 2,000,000. There are no provisions for the amortisation of the cash reserve, nor for any potential use of the same; it therefore remains at the vehicle's disposal in liquid form, contributing, where necessary, to the amount of available funds (and thus constituting a guarantee in favour of the Senior Noteholder).
- the sum required to establish an expense reserve ("Retention Amount") of €20,000. This is an expense fund made available to the vehicle by the structure to cover the vehicle's operating costs. At each quarterly settlement, based on the costs incurred and documented, this account/expense fund will be replenished up to the pre-determined amount of €20,000.00.
- the costs of structuring the Transaction (€230,570.46).

At the closing date of the transaction, the cash flows involving Banca Cambiano were as follows:

- Incoming cash flows of €100,000,000 as consideration for the sale of the portfolio to the SPV (the consideration for the remaining portion of the sold portfolio was settled through the subscription to the Junior Note);
- An outflow of €2,250,872.79 to finance the establishment of the cash reserve (€2,000,000) and the expenses fund (€20,000) and to cover closing costs (€230,872.79, including rounding).

Selected quantitative information as at 31 December 2025

Set out below is a selection of some of the key quantitative information relating to the transaction in question. Unless otherwise specified, the figures are in euros and refer to 31 December 2025.

Securitised assets

The securitised receivables at the end of 2025 are equal to their purchase price, net of collections made from the date of disposal up to 31 December 2025, and net of amounts receivable for collections attributable to the financial year but not yet transferred by the Servicers, and increased by interest accrued and due as at 31 December 2025.

	31/12/2025
Performing securitised receivables	49,908,525
Receivables for overdue interest not yet collected	29,932
Total	4G.G38,456

	Balance as at 31/12/2025	Percentage
Up to 3 months	0.00	0.00%
3 to 6 months	0.00	0.00%
6 to 12 months	8,520,757	17.07%
12 to 60 months	30,871,361	61.86
Over 60 months	10,516,406	21.07%
Total	4G.G08.525	100.00%

Finally, the degree of fragmentation of the portfolio as at 31 December 2025 is shown below, broken down by category

	Number of positions	Balance as at 31/12/2025
Up to 25,000	394	5,501,155
From 25,000 to 75,000	327	14,224,305
From 75,000 to 250,000	156	18,781,030
Over 250,000	31	11,402,035

	Number of positions	Balance as at 31 December 2025
Total	G08	4G.G08.525

Use of available funds

Description	31/12/2025
Cash at BNY, current account no. 6988649780 (Expenses Acc.)	13,366
Cash at BNY, current account no. 6988619780 (Cash Reserve Account)	2,006,318
Cash at BNY, current account no. 6988639780 (Payment Account)	1,838
Cash at BNY, current account no. 6988629780 (Collection Account)	9,153,569
Receivables from Servicers for collections to be received	59,635
Accrued interest on securitised receivables	216,384
Receivables for withholding tax on banking interest income	170,403
Total	11,621,513

Interest on securities issued (accrued)

	31/12/2025
Interest expense on Class A securities	1,736,352
Additional return	1,233,131

Fees and commissions payable in connection with the transaction

During the 2025 financial year, the fees and commissions payable in connection with the transaction comprised the items detailed in the following table:

Description	31/12/2025
Servicing fees (Banca Cambiano)	100,497
Compensation to the Computation Agent	25,403
Remuneration of Sub-Computation Agents	1,297
Remuneration for the Back-up Servicer	15,556
Fees for the Representative of the Noteholders	8,582
Fees for the Account Bank, Cash Manager and Principal Paying Agent	8,918
Other	0
Total	160,253

Interest generated by securitised assets

The total portfolio of securitised mortgages has accrued the following amounts of interest as at 31 December 2025:

	31/12/2025
Interest on securitised loans	2,934,347
Early repayment penalties	41,853
Other income	205,100
Total	3,181,300

DETAILS OF CONTRACTS ENTERED INTO

In order to carry out the securitisation transaction, it was necessary to enter into the following contractual documentation with various counterparties:

- “Assignment Agreement”, pursuant to which the Company purchased the loan portfolio from Banca Cambiano for consideration, in a single block and without recourse;
- “Guarantee and Indemnity Agreement”, pursuant to which the Bank has made certain representations and warranties, provided certain indemnities, and assumed certain indemnity obligations in relation to the Receivables and their assignment to the Company;
- “Servicing Agreement”, under which the Company appointed Banca Cambiano as the entity responsible for the administration, management, collection, recovery and realisation of the relevant Receivables (including, for the sake of clarity, any non-performing receivables);
- “Administrative Services Agreement”, under which the Company appointed KPMG Fides Servizi di Amministrazione S.p.A. as Administrator of the Corporate Assets;
- “Administrative Services Agreement for the Stichting” (Stichting Corporate Services Agreement);
- “Back-up Servicing Agreement”, under which the Company has appointed Zenith Service S.p.A. as back-up servicer, i.e. to act as a substitute for the Servicer in the event of the revocation of Banca Cambiano’s appointment as Servicer pursuant to 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, amongst others, 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 Banca Cambiano;
- “Shareholders’ Agreement” between the Company, Stichting Ursa Major and ICS Crediti e Partecipazioni S.r.l.;
- “Agency Agreement” between the Company and KPMG Fides Servizi di Amministrazione S.p.A.
- “Information Memorandum”.

PARTIES INVOLVED IN THE TRANSACTION

The parties involved in the transaction in various capacities are set out in the table below.

Issuer / Purchaser of the receivables

Pontormo SME 2023 Srl, a limited liability company incorporated pursuant to Article 3 of Law 130/99, tax code, VAT number and Companies Register no. 17249061007, with fully paid-up share capital of €10,000, registered in the List of securitisation special purpose vehicles maintained by the Bank of Italy pursuant to the Provision of 7 June 2017, no. 48473.3, whose registered office is 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 maintained by the Bank of Italy pursuant to Article 13 of the Consolidated Banking Act, with its registered office at 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 branch with its registered office at Via Mike Bongiorno, 13, 20124, Milan, Italy, (“BNYM”).

Corporate Services Provider / Representative of the Noteholders / Back-up Calculation Agent

KPMG Fides Servizi di Amministrazione SpA, a public limited company incorporated in Italy, registered with the Milan Companies Register, Italy, under no. 00731410155, with its registered office at Via Vittor Pisani 27, Milan (MI), Italy, operating through its office in Rome, at Via Curtatone, 3 (“KPMG”).

Calculation Agent

ICS Crediti e Partecipazioni S.r.l., a limited liability company, registered in the Parma Register of Companies under no. 03746101207, with its registered office at Borgo della Salnitara 3, Parma, Italy, operating through its operational office in Bologna, at Via G. Mezzofanti, 5 (“ICS”).

Stichting Corporate Services Provider

MCG Trustee Company Limited, a company incorporated under the laws of England and Wales, with its registered office at 10 Fenchurch Avenue, London, EC3M 5AG.

Back-up Servicer

Zenith Service S.p.A., a public limited company, registered in the Milan – Monza – Brianza – Lodi Register of Companies under no. 02200990980, with its registered office at Corso Vittorio Emanuele II, 24/28, Milan, Italy, and registered under no. 32590.2 as a Financial Intermediary pursuant to Article 106 of the Consolidated Banking Act (“Zenith”).

Shareholders

(i) Stichting Ursa Major, a foundation incorporated under Dutch law with its registered office at Locatellikade, 1, 1076 AZ, Amsterdam (Netherlands), registered with the Amsterdam Companies Register under number 865414038, and (ii) ICS.

Arranger

Banca Akros SpA, a bank incorporated in Italy as a joint-stock company, with its registered office at Viale Eginardo 29, 20149 Milan, Italy, with a fully paid-up share capital of €39,433,803, registered in the Milan Companies Register under number 03064920154 and in the register of banks maintained 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 business in Italy pursuant to the Consolidated Banking Act (“Banca Akros”).

Legal Advisers

(i) Orrick, Herrington C Sutcliffe and (ii) Chiomenti.

ALLOCATION OF CASH FLOWS FROM THE PORTFOLIO

Set out below is a summary table of the allocation of cash flows arising from the assigned receivables. It should be noted that the items described in the order of payment set out are ranked in order of priority, in that they are satisfied only if sufficient funds remain after the previous item has been paid:

- all taxes and expenses necessary to ensure the continued 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 the fees payable to the Servicer for its management of the securitised receivables;
- iv. interest due and payable on the Class A Senior Note;
- v. the amount necessary to ensure that the balance of the Cash Reserve Account equals the Cash Reserve Amount;
- vi. only on the first payment date, the amount of accrued interest payable to the Originator;
- vii. until the Senior Note is repaid in full, any funds remaining after payment of the items listed above shall be used in full to repay the principal of the Class A Senior Note;
- viii. Any indemnities due and payable to the Arranger and Senior Noteholders;
- ix. Any other amounts due to the counterparties to the Transaction, to the extent that they have not been paid under the preceding points;
- x. Repayment of the principal of the Class J Junior Security;
- xi. Any Additional Return on the Class J Junior Security.

Quantitative information

A. Financial assets transferred but not fully derecognised

C.1 Exposures arising from the main 'own' securitisation transactions, broken down by type of securitised asset and by type of exposure – part 1

Type of securitised assets/Exposures	On-balance-sheet exposures					
	Senior		Mezzanine		Junior	
	Balance sheet balance sheet	Adjustments/reversals of value	Balance sheet balance sheet	Adjustments/revaluations to value	Balance sheet balance sheet	Adjustments/revaluations of value
C. Not written off from the balance sheet						
C.1 Pontorno SME s.r.l.	28,382	-274	0	0	21,191	-204

C.1 Exposures arising from the main 'own' securitisation transactions, broken down by type of securitised asset and by type of exposure – part 2

Type of securitised assets/Exposures	Guarantees provided					
	Senior		Mezzanine		Junior	
	Net exposure Net	Adjustments/reversals of value	Net Net	Value to value	Net Net	Value to value
C. Not written off the balance sheet						
C.1 Loans	0	0	0	0	0	0

C.1 Exposures arising from the main 'own' securitisation transactions, broken down by type of securitised asset and by type of exposure – part 3

Type of securitised assets/Exposures	Credit facilities					
	Senior		Mezzanine		Junior	
	Net exposure Net	Adjustments/reversals of value	Net Net	Value to value	Net Net	Value to value
C. Not written off the balance sheet						
C.1 Loans	0	0	0	0	0	0

C.2 Exposures arising from the main 'third-party' securitisation transactions, broken down by type of securitised asset and by type of exposure – part 1

Type of underlying assets/Exposures	On-balance-sheet exposures					
	Senior		Mezzanine		Junior	
	Carrying amount	Adjustments/write-downs	Carrying amount	Value adjustments/write-backs	Carrying amount	Value adjustments/write-backs
Type of asset	0	0	0	0	0	0

C.2 Exposures arising from the main 'third-party' securitisation transactions, broken down by type of securitised asset and by type of exposure – part 2

Type of underlying assets/Exposures	Guarantees provided					
	Senior		Mezzanine		Junior	
	Carrying amount	Value adjustments	Carrying amount	Value adjustments	Carrying amount	Value adjustments
Type of asset	0	0	0	0	0	0

C.2 Exposures arising from the main 'third-party' securitisation transactions, broken down by type of securitised asset and by type of exposure – part 3

Type of underlying assets/Exposures	Credit facilities					
	Senior		Mezzanine		Junior	
	Carrying amount	Value adjustments /write-downs	Carrying amount	Value adjustments	Carrying amount	Value adjustments
Type of asset	0	0	0	0	0	0

C.3 Securitisation special purpose vehicle

Name of securitisation / Name of special purpose vehicle	Registered office	Consolidation	Assets			Liabilities		
			Receivables	Debt Debt	Other			
PONTORMO SME 2023 SRL	Rome - Via Curtatone 3	NO	9,190	0	0	0	0	0

INFORMATION 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 “Pontormo RMBS 2017” securitisation transaction (the “Transaction”), which utilises Pontormo RMBS s.r.l. as its special purpose vehicle; this company’s sole purpose is to carry out one or more securitisation transactions involving loans, and it is registered under no. 35038.9 in the Register of Securitisation Special Purpose Vehicles. During the second half of 2019, the Transaction underwent a restructuring (the “Restructuring”), which, in summary, involved the sale of a second loan portfolio by Banca Cambiano and the simultaneous issue of two further bonds – one senior and one junior – on a par with the bonds of the same seniority issued previously. During October 2024, the Transaction underwent a “Partial Unwinding”, which took the form of (i) the withdrawal 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 respective portfolio and the subsequent redemption of the securities it had subscribed to, and (ii) a review of the structure of the Transaction, necessary to reflect the transition from a “multi-originator” to a “single-originator” transaction. As part of the Partial Unwinding, the costs of which were borne entirely by Banca di Pisa e Fornacette, the rating agencies (SCP and Fitch) have confirmed the AA rating of the securities subscribed to by Banca Cambiano. The following sections will outline the objectives of the Pontormo RMBS 2017 transaction, the main characteristics of the Notes issued, a selection of quantitative information relating to the 2025 financial year, and a description of the accounting treatment in the Bank’s financial statements.

Purpose and structure of the Pontormo RMBS 2017 transaction

The Bank’s objective in launching the transaction was to convert a portion of its lending assets (residential mortgage loans) into an ABS-type security (Pontormo RMBS Class A) that could be used in a series of activities aimed at further optimising any liquidity requirements, in particular:

- raising short- to medium-term liquidity through transactions with the Eurosystem;
- raising medium-term liquidity through private repo arrangements (over 2–3 years);
- to carry out refinancing transactions on the Securitised Interbank Market (New Mic);
- where market opportunities arise, and in line with the bank’s weighted average cost of funding, to sell the ABS note on the market.

The transaction resulted in the issuance of an ABS instrument (backed by mortgages granted by the Bank) with a high credit rating: at the time of issue, the note was rated AA by SCP and AA- by Fitch, which were higher than the rating of Italian sovereign debt (which at that time stood at Baa2 by Moody’s, BBB by SCP and BBB by Fitch). On 23 October 2018, Fitch upgraded the rating of the ‘A’ class securities from AA- (the rating at issuance) to AA, the highest rating achievable for Italian structured finance transactions. Following the 2019 Restructuring, both rating agencies confirmed the AA rating for the senior notes issued in 2017 and assigned the same rating to the new senior notes issued as part of the Restructuring. At the end of April 2020, following Fitch’s downgrade of Italy’s rating, the agency lowered the rating of the senior notes in question to AA- (the agency’s policy stipulates that the maximum rating for structured finance transactions is six notches above the relevant sovereign rating; therefore, the downgrade of the notes was due exclusively to the lowering of the sovereign rating). In December 2021, following the upgrade of Italy’s rating, Fitch upgraded the rating of the senior securities in question, restoring it to AA. As anticipated, as part of the Partial Unwinding in 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. In November 2025, following the upgrade of Italy’s rating by SCP and Fitch, both agencies upgraded the rating of the senior notes in question, raising them to AA+.

The transaction made it possible to transform part of the Bank’s assets, which would otherwise have been illiquid (the mortgage loan portfolio), into a rated, transparent financial instrument (the two senior notes) that is eligible for central bank reserves and potentially tradable.

The transaction in question was structured as a ‘multi-originator’ transaction, initiated by Banca Cambiano together with Banca di Pisa and Fornacette. Under an initial sale agreement signed on 14 November 2017, each bank transferred a mortgage portfolio (distinct and independent from the others) comprising receivables identifiable as a single block under the Securitisation Act, classified as ‘performing’ in accordance with current supervisory regulations and arising from property loan and mortgage agreements secured by voluntary mortgages on immovable property. As part of the Restructuring, each bank subsequently sold, in accordance with the same procedures described above, a second portfolio of mortgages, again distinct and

independent of the other. Set out below are some of the main general eligibility criteria for the transferred mortgages, applicable to both transfers:

- The mortgages are denominated in euros;
- Loans granted to individuals resident in Italy who, in accordance with the classification criteria adopted by the Bank of Italy in Circular 140 of 11 February 1991 (as subsequently amended), fall within one of the following SAE (economic activity sector) categories: No. 600 ('consumer households'); No. 614 ('craftsmen') or No. 615 ('producer households');
- Mortgages secured by a mortgage on one or more properties situated in Italy, where the property on which the mortgage is registered (or, in the case of one or more mortgages registered on multiple properties to secure the same mortgage, the principal property) is a residential property intended for habitation;
- No borrower is an employee, director, statutory 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 selling banks have acted (and Banca Cambiano continues to act) as servicers of their portfolios transferred to the special purpose vehicle.

As consideration for the purchase of the receivables, the SPV paid the transferring banks a price of €695,618,219.29 in connection with the first transfer and €447,699,408.76 in connection with the second transfer, corresponding to the total sum of the individual purchase prices of the receivables transferred on each occasion, as specified below:

- First transfer – Banca di Pisa e Fornacette: €232,893,077.48;
- **First sale – Banca Cambiano: €462,725,141.81;**
- Second sale – Banca di Pisa e Fornacette: €160,485,163.54;
- **Second sale – Banca Cambiano: €287,214,245.22.**

The purchase of the first portfolio was financed by the SPV through the issue, on 27 November 2017, pursuant to Articles 1 and 5 of the Securitisation Act, of the following classes of securities:

Senior – (Class “A” securities)

- €181,656,000 Class A1-2017;
- **€360.625,000 Class A2-2017;**

Junior – (Class “B” titles)

- €54,137,000 Class B1-2017;
- **€107,562,000 Class B2-2017.**

Similarly, the second loan portfolio sold as part of the Restructuring was financed through the issue on 6 December 2019 of the following bonds:

Senior – (Class “A” securities)

- €157,866,000 Class A1-2019;
- **€285,773,000 Class A2-2019;**

Junior – (Class “B” securities)

- €3,380,000 Class B1-2019;
- **€1,330,000 Class B2-2019.**

Underwriter	ISIN	Class	Senior Tranche	Issue rating	Rating as at 31 December 2025	Nominal value	Outstanding amount as at 31 December 2025	Outstanding amount after redemption 26 January 2026
Banca di Pisa e Fornacette	IT0005315210	Class A1 – 2017	84.00%	AA / AA-		Repaid		
Banca di Pisa e Fornacette	IT0005391237	Class A1 – 2019	84.00%	AA / AA		Repaid		
Banca Cambiano	IT0005315228	Class A2 – 2017	84.00%	AA / AA-	AA+ / AA+	360,925,000	67,787,880	66,649,688
Banca Cambiano	IT00053G1245	Class A2 - 201G	84.00%	AA / AA	AA+ / AA+	285,773,000	84,871,883	83,446,579
		Class A Notes	84.00%			646.6G8,000	152.65G.763	150.0G6,267
Banca di Pisa e Fornacette	IT0005315236	Class B1 – 2017	16.00%			Repaid		
Bank of Pisa and Fornacette	IT0005391252	Class B1 - 2019	16.00%			Repaid		
Banca Cambiano	IT0005315244	Class B2 - 2017	16.00%			107,562,000	107,562,000	107,562,000
Banca Cambiano	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

Class “A” securities are listed on the Irish Stock Exchange, whilst Class “B” securities are neither listed nor rated. The Senior notes bear interest at a floating rate linked to the monthly Euribor (with a floor of 0% and a cap of 3.50% for Class A1 notes and 3.52% for Class A2 notes) plus a spread of 0.45%; the

Junior notes, on the other hand, do not have a fixed coupon and receive payments other than principal, which are due in accordance with the order of priority for each reference period. Interest and income on the notes are paid monthly on the 25th of each month.

The securities subscribed to by Banca Cambiano are Classes A2 (senior) and B2 (junior). The characteristics of the securities in question are set out below:

Class A2-2017

Currency: Euro

Issue Amount: 360,925,000

Rate: 1-month Euribor (floor at 0% and cap at 3.52%) + spread of

0.45% Coupon: monthly

Maturity date: May 2060

Repayment: amortisation linked to recoveries on the underlying receivables

Rating as at 31 December 2023: AA by SCP, AA by Fitch Listing: Irish Stock

Exchange

ISIN: IT0005315228

Governing law: Italian law.

Underwriter: Banca Cambiano.

Class A2-2019

Currency: Euro

Issue amount: 285,773,000

Rate: 1-month Euribor (floor at 0% with a cap of 3.52%) + spread

of 0.45% Coupon: monthly

Maturity date: May 2060

Redemption: amortisation linked to recoveries on the underlying loans

Rating as at 31 December 2023: AA by SCP, AA by Fitch Listing: Irish Stock

Exchange

ISIN: IT0005391245

Governing law: Italian law.

Underwriter: Banca Cambiano.

Class B2-2017

Currency: Euro

Issue amount: 107,562,000 Rate: N/A

Coupon: monthly

Maturity date: May 2060

Redemption: amortisation linked to recoveries on the underlying

receivables Rating: Unrated

Listing: Not listed on a regulated market ISIN: IT0005315244

Governing law: Italian law.

Underwriter: Banca Cambiano.

Class B2-2019

Currency: Euro

Issue amount: 1,330,000 Rate: N/A

Coupon: monthly

Maturity date: May 2060

Redemption: amortisation linked to recoveries on the underlying

receivables Rating: Unrated

Listing: Not listed on a regulated market ISIN: IT0005391260

Governing law: Italian law.

Underwriter: Banca Cambiano.

The securities are all held in dematerialised form at Monte Titoli S.p.A.

The Junior Notes include in their principal amount:

- a cash reserve ("Cash Reserve Amount") equal to 1.50% of the nominal value of the Senior Notes issued at the time of the Restructuring, i.e. €7,688,433;
- the sum required to establish the expense reserve (Retention Amount), which at the time of issue corresponds to a share of €53,216 for Banca Cambiano;

- the costs of structuring the Transaction (€294,727.31, attributable pro rata to Banca Cambiano) and the costs of the Restructuring (€246,905.34, attributable pro rata to Banca Cambiano).

The cash reserve constitutes a guarantee in favour of the Senior noteholders (who, in this case, are the originators; it therefore implicitly also constitutes a guarantee in favour of Banca Cambiano, which holds the 'A2' classes). Provision is also made for the amortisation of the cash reserve (subject to the amount of funds available), which is gradually returned to the relevant bank on the basis of the amortisation of the respective Senior Notes, until a defined minimum level is reached (0.8% of the nominal value of the Senior Notes at the time of the Restructuring). At present, there are no plans to utilise the cash reserve, which therefore remains at the vehicle's disposal in liquid form, contributing, where necessary, to the amount of available funds.

Cash Reserve Amount	Issue reserve	Outstanding reserve as at 31 December 2025
Banca Cambiano Cash Reserve Amount	7,688,433	4,144,473

The Retention Amount is effectively an expense fund made available to the vehicle by the organisation to cover the vehicle's operating costs. At each monthly settlement, based on the costs incurred and documented, this account/expense fund will be replenished up to the pre-determined amount of €53,216. The securities are redeemed on the interest payment dates, based on the recovery of the underlying receivables, the funds available and the order of priority for payments (set out 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 that allow them to be used for refinancing operations with the European Central Bank.

Selected quantitative information as at 31 December 2025

Set out below is a selection of some of the key quantitative information relating to the transaction in question. Unless otherwise specified, the figures are in euros and refer to 31 December 2025.

Securitised assets

The securitised car loans at the end of 2025 are equal to their purchase price, net of collections made from the date of sale up to 31 December 2025, and net of amounts receivable for collections attributable to the financial year but not yet transferred by the servicers, and increased by interest accrued and due as at 31 December 2025.

	31/12/2025
Performing securitised receivables	248,774,297
Receivables for overdue interest not yet collected	63,219
Total	248,837,515

The characteristics of the assets sold by Banca Cambiano are as follows:

	31/12/2025
Remaining capital	248,774,297
Number of Mortgages	4,140
Average remaining term (years)	12.85
Weighted average rate	3.36%
Average mortgage amount	60,090
Current LTV	64.87%

The table below shows the securitised assets outstanding as at 31 December 2023, classified according to their remaining life:

	Balance as at 31/12/2025	Percentage
Up to 3 months	69,178	0.03%
3 to 6 months	197,046	0.08
6 to 12 months	662,795	0.27
12 to 60 months	19,098,241	7.68
Over 60 months	228,747,036	91.95%
Total	248,774,267	100.00%

Finally, the degree of fragmentation of the portfolio as at 31 December 2025 is shown below, broken down by category:

	Number of positions	Balance as at 31/12/2025
Up to 25,000	1,168	15,318,716
From 25,000 to 75,000	1,760	85,045,696
From 75,000 to 250,000	1,170	133,198,648
Over 250,000	42	15,211,237
Total	4,140	248,774.267

Use of cash and cash equivalents

Description	31/12/2025
Cash held at BNY, current account no. 6983879780 (Expenses Acc.)	53,285
Cash at BNY, current account no. 6983899780 (Banca Cambiano Transitory CR Account)	3,116,318
Cash at BNY, current account no. 6983919780 (BCC Pisa and Fornacette Transitory CR Account)	0
Cash at BNY, current account no. 6983989780 (General Account)	0
Cash at BNY, current account no. 6983999780 (Banca Cambiano Cash Reserve Account)	4,148,717
Cash at BNY, current account no. 6984009780 (BCC Pisa and Fornacette Cash Reserve Account)	0
Cash at BNY, current account no. 6983929780 (Payment Account)	10,070
Cash at BNY, current account no. 6983939780 (Banca Cambiano Suspension Account)	127,051
Cash at BNY, current account no. 6983949780 (BCC Pisa and Fornacette Suspension Account)	0
Receivables arising from the transaction	2,914,674
Receivables from servicers for collections to be received	92,815
Accrued interest on securitised receivables	2,032,519
Prepaid expenses	32,143
Receivables for withholding tax on bank interest income	410,920
Total	12,638,512

Interest on securities issued (economic basis)

	31/12/2025
Interest expense on Class A securities	4,665,586
Interest expense on Class B securities	4,677,194

Fees and commissions payable in connection with the transaction

During the 2025 financial year, the fees and commissions payable in connection with the transaction comprised the items detailed in the following table:

Description	31/12/2025
Servicing fees (Banca Pisa)	0
Servicing fees (Banca Cambiano)	131,865
Compensation for the Computation Agent	26,134
Sub-computation agent fees	1,456
Listing Agent's fees	2,598
Fees payable to the Representative of the Noteholders	10,177
Fees for the Bank Account, Cash Manager and Principal Paying Agent	14,354
Other	40,303
Total	226,887

Interest generated by securitised assets

The total portfolio of securitised car loans has accrued the following amounts of interest as at 31 December 2025:

	31/12/2025
Interest on securitised receivables	9,255,774
Early repayment penalties	132,924
Other income	250,177
Total	G.638,875

DETAILS OF CONTRACTS ENTERED INTO

In order to carry out the Securitisation Transaction and the subsequent Restructuring, it was necessary to enter into the following contractual documentation with various counterparties:

- i. 4 "Assignment Agreements" (two at the time of structuring the Transaction and two at the time of the Restructuring) pursuant to which the Company purchased, for consideration, in block and without recourse, the respective loan portfolios from Banca di Pisa e Fornacette and Banca Cambiano;
- ii. 2 "Guarantee and Indemnity Agreements" (one during the structuring of the Transaction and one during the Restructuring) pursuant to which each Transferring Bank made certain representations and warranties, provided certain indemnities, and assumed certain indemnity obligations in relation to the relevant Receivables and their assignment to the Company;
- iii. a "Servicing Agreement" (amended and supplemented during the Restructuring by the "Agreement amending the Servicing Agreement"), whereby the Company appointed each Assigning Bank as the entity responsible for the administration, management, collection, recovery and realisation of the relevant Receivables (including, for the sake of clarity, any non-performing receivables);
- iv. "Administrative Services Agreement", under which the Company appointed CH S.p.A. S.p.A. as Administrator of the Corporate Assets;

- v. "Administrative Services Agreement for the Stichting" (Stichting Corporate Services Agreement);
- vi. "Back-up Servicing Agreement", under which the Company has appointed the back-up servicers to act as substitutes for the Servicer in the event of the 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" between, amongst others, the Company, the Assignor 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.;
- viii. "Intercreditor Agreement" between, amongst others, the Company, the Assigning 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 e 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 Amministrazione S.p.A.;
- xi. Two "Written Resolutions", by which the noteholders approved the Restructuring of the Transaction, authorising the RON and the Company to take the necessary steps to complete it;
- xii. "Amendment Agreement", signed by all parties involved in the Transaction, setting out the amendments to the previously signed agreements necessary to enable the Restructuring of the Transaction.
- xiii. "Offering Circular" (including the Terms and Conditions of the Securities).

As part of the Partial Unwinding and the subsequent adjustment to the structure, the following agreements were signed by the various counterparties:

- i. "Written Resolution", by which the security holders and the RON approved the Partial Unwinding and the subsequent adjustment of the structure;
- ii. "Repurchase Agreement", under which Banca di Pisa e Fornacette repurchased the portfolio for which it was responsible;
- iii. "Termination Agreement", in which all counterparties agreed on the payments to be made in connection with the early redemption of the securities subscribed by Banca di Pisa e Fornacette, which has relinquished all its roles within the Transaction;
- iv. A new "Back-up Servicing Agreement", under which Blue Factor S.p.A. was appointed as Back-up Servicer for the Transaction;
- v. A new "Administrative Services Agreement", under which the Company has appointed KPMG Fides Servizi di Amministrazione as Corporate Administrator (replacing CH S.p.A.);
- vi. A "General Amendment Agreement", under which the various contracts relating to the Transaction have been amended to incorporate the Partial Unwinding and the subsequent adjustment to the structure. This agreement 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 TRANSACTION

The parties involved in the transaction in various capacities are set out in the table below.

Issuer/Purchaser of the receivables

Pontormo RMBS Srl, a limited liability company incorporated pursuant to Article 3 of Law 130/99, tax code, VAT number and Companies Register No. 06272000487, with fully paid-up share capital of €10,000, registered in the List of securitisation special purpose vehicles maintained by the Bank of Italy pursuant to the Provision of 7 June 2017, No. 35039.9, whose registered office is at Via Cherubini 99, Empoli (FI).

Assignor / Servicer

Banca Cambiano 1884 S.p.A., a bank incorporated in Italy as a joint-stock company, registered in the Register of Banks maintained by the Bank of Italy pursuant to Article 13 of the Consolidated Banking Act under No. 5667, with its registered office at 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 branch with its registered office at Via Mike Bongiorno, 13, 20124, Milan, Italy, ("BNYM").

Operating Bank

Banca Cambiano 1884 S.p.A., a bank incorporated in Italy as a joint-stock company, registered in the Register of Banks maintained by the Bank of Italy pursuant to Article 13 of the Consolidated Banking Act under No. 5667, with its registered office at Viale Antonio Gramsci, 34 – 50132 Florence ("Banca Cambiano").

Representative of the Noteholders / Corporate Services Provider / Stichting Corporate Services Provider / Back-up Computation Agent

KPMG Fides Servizi di Amministrazione SpA, a joint-stock company incorporated in Italy, registered in the Milan Companies Register, 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 Parma Companies Register under no. 03746101207, with its registered office at Borgo della Salnitrara 3, Parma, Italy, operating through its operational office in Bologna, at Via G. Mezzofanti, 5 ("ICS").

Shareholders

(i) Stichting Muitenburg, a foundation under Dutch law with its registered office at Hoogoorddreef 15, 1101BA, Amsterdam (Netherlands), registered with the Amsterdam Register of Companies under number 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 its registered office at Viale Eginardo 29, 20149 Milan, Italy, with a fully paid-up share capital of €39,433,803, registered with the Milan Companies Register under number 03064920154 and with the register of banks maintained 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 business in Italy pursuant to the Consolidated Banking Act ("Banca Akros").

Legal Adviser

Orrick, Herrington C Sutcliffe.

ALLOCATION OF CASH FLOWS FROM THE PORTFOLIO

The following is a summary table showing the allocation of cash flows arising from the assigned receivables. The items described in the order of payment set out are ranked in order of priority, in that they are only met if sufficient funds remain after the previous item has been paid:

- a) all taxes and expenses necessary to ensure the continued existence of the Issuer, and all costs and taxes 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) the 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 to 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) the 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 items
- j) On the first payment date only, to pay the Originator the accrued interest.
- k) Pay (a) to the Originator any amount due in respect of adjustments to the purchase price relating to receivables not listed in the assignment agreement but which met the criteria set out therein, and any amount due from the Vehicle under the guarantee and indemnity agreement (other than those referred to in point 9 above); and (b) to the Class B subscriber or the Originator any amount owed by the vehicle under the subscription agreement.
- l) Any amount due to the Originator as a refund of the insurance premium and related expenses advanced by the Originator pursuant to the sale agreement.
- m) Interest due and payable on Class B2 Securities.
- n) From the Payment Date on which the Class A Securities are repaid in full, the repayment of the principal on the Class B2 Securities.
- o) Following the full and final settlement of all payments due in accordance with the Order of Priority and the full redemption of all securities, payment of any surplus into the vehicle's current accounts in favour of Banca Cambiano.

D. Disposal transactions

A. Financial assets sold but not fully derecognised Qualitative and quantitative information

D.1 Prudential consolidation – Financial assets sold and recognised in full, and associated financial liabilities: balance sheet values

Technical classifications/Portfolio	Financial assets sold recognised in full				Associated financial liabilities		
	Carrying amount	of which: subject to securitisation transactions	of which: subject to sale and repurchase agreements repurchase	of which impaired	Carrying amount	of which: subject to securitisation transactions	of which: subject to sale and repurchase agreements repurchase
A. Financial assets held for trading				X			
1. Debt securities	0	0	0	X	0	0	0
2. Equity securities	0	0	0	X	0	0	0
3. Funding	0	0	0	X	0	0	0
4. Derivatives	0	0	0	X	0	0	0
B. Financial assets that must be 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. Funding	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. Funding	0	0	0	0	0	0	0
D. Financial assets measured at fair value through profit or loss							
1. Debt securities	0	0	0	0	0	0	0
2. Equity securities	0	0	0	X	0	0	0
3. Funding	0	0	0	0	0	0	0
C. Financial assets measured at cost amortised							
1. Debt securities	12,202	0	12,202	0	108,217	0	108,217
2. Loans	49,573	49,573	0	1,299	33,182	33,182	0
Total 31/12/2025	61,775	4,573	12,202	1.2GG	141.3G8	33,182	108,217
Total 31/12/2024	214.4GG	82,164	132,335	2,056	1G 5,774	66.84G	128.G24

D.3 Prudential consolidated accounts – Disposals involving liabilities secured exclusively by the assets disposed of and not fully written off: fair value

Technical forms/Portfolio	Recognised in full	Recognised in part	Total	
			31/12/2025	31/12/2024
A. Financial assets held for trading				
1. Debt securities	0	0	0	0
2. Equity securities	0	0	0	0
3. Loans	0	0	0	0
4. Derivatives	0	0	0	0
B. Financial assets that must be measured at fair value				
1. Debt securities	0	0	0	0
2. Equity securities	0	0	0	0
3. Loans	0	0	0	0
C. Financial assets designated at fair value				
1. Debt securities	0	0	0	0
2. Loans	0	0	0	0
D. Financial assets measured at fair value through on comprehensive income				
1. Debt securities	0	0	0	97,060
2. Equity securities	0	0	0	0
3. Loans	0	0	0	0
C. Financial assets measured at amortised cost (fair value)				
1. Debt securities	12,202	0	12,202	35,275
2. Loans	49,573	0	49,573	82,164
Total financial assets	61,775	0	61,775	214.4GG
Total associated financial liabilities	141.3G8	0	141.3G8	1G5.774
Net value as at 31 December 2025	-7G.624	0	-7G.624	X
Net value as at 31 December 2024	18,726	0	X	18,726

Notes

With regard to loans and advances to customers and amounts due to customers, the 'fair value' used in the table is equal to the amortised cost.

**1.2 Market risk Qualitative
information**

For the purposes of compiling this section, only financial instruments (assets and liabilities) falling within the “regulatory trading book”, as defined in the regulations governing regulatory reporting on market risks (see Circular No. 286 of 17 December 2013 issued by the Bank of Italy), are taken into account.

A. General aspects

Within the Group, the only company exposed to interest rate and price risk in the regulatory trading book is Banca Cambiano 1884 S.p.A.

The Bank primarily engages in proprietary trading in financial instruments exposed to interest rate risk.

The strategy underlying proprietary trading responds both to treasury requirements and to the objective of maximising the risk/return profile of portfolio investments in terms of interest rate risk and counterparty credit risk.

Trading activity mainly involves transactions in bonds.

B. Management processes and methods for measuring interest rate risk and price risk

The ‘Finance Department’ Regulations set out both operational limits (in terms of both portfolio size and composition by type of security) and limits on interest rate risk exposure (in terms of financial duration or ‘duration’).

At its meeting on 16 January 2020, the Board of Directors approved the Interest Rate Risk Policy, accompanied by a methodological annex, which was subsequently updated at the meeting on 27 November 2024.

Quantitative information

1.2.1.1 Regulatory trading book: breakdown by residual maturity (repricing date) of cash financial assets and liabilities and financial derivatives – All currencies

Type/Residual maturity	On demand	Up to 3 months	From over 3 months up to 6 months	From over 6 months up to 1 year	From over 1 year up to 5 years	From over 5 years up to 10 years	Over 10 years	Indefinite duration	Total
1. Cash assets									
1.1 Debt securities									
- with an option for early redemption	0	0	0	0	0	0	0	0	0
- other	0	0	0	12,367	54,368	0	0	0	66,736
1.2 Other assets	0	0	0	0	0	0	0	0	0
2. Cash liabilities									
2.1 P.C.T. liabilities	0	0	0	0	0	0	0	0	0
2.2 Other liabilities	0	0	0	0	0	0	0	0	0
3. Financial derivatives									
3.1 With an underlying asset									
- 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 No underlying asset									
- 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	484	0	0	0	0	0	0	0	484
+ short positions	4,340	0	0	0	0	0	0	0	4,340

1.2.1.2 Regulatory trading book: breakdown of exposures to equity securities and equity indices by the main countries of listing

Type of transaction/Listing index	Listed			Unlisted
	Country 1	Country 2	Country 3	
A. Equity securities				
- long positions	3,881	2,303	839	0
- 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 in the banking book (Interest Rate Risk in the Banking Book – IRRBB) arises from the mismatch between the maturities (repricing) of assets and liabilities in the banking book. The banking book comprises all financial instruments, both assets and liabilities, not included in the trading book in accordance with supervisory regulations.

The Finance Division has direct responsibility for the operational management of interest rate risk in accordance with the guidelines provided by the Board of Directors.

Should the thresholds approved by the Board be exceeded, the Finance Division intervenes promptly, on the instructions of the Chief Executive, after consulting the Risk Management Function, in order to bring interest rate risk exposure back within the defined thresholds; in particular:

- it implements micro-hedge and macro-hedge transactions to hedge medium- to long-term assets and liabilities;
- it collaborates with Risk Management to determine new interest rate indexation structures for commercial funding and lending products, which are then communicated to the relevant corporate functions;
- implements transactions to hedge short-term assets and liabilities, providing the Chief Executive and Risk Management with timely reports on the actions taken and their impact on interest rate risk mitigation.

The interest rate risk control process sets out the procedures for monitoring the limits imposed on risk indicators and the *remediation* process should these limits be exceeded.

Checks on compliance with limits are carried out on a quarterly basis and are the responsibility of the Risk Management Department, which produces specific reports to enable the relevant information to be disclosed. Depending on the severity of any breach of the limits, different measures are put in place to mitigate interest rate risk:

- **an ‘early warning’** is defined as a threshold requiring attention, but for which no corrective or risk management actions are necessary;
- the **operational limit** is defined as a risk limit, the breach of which necessarily requires corrective or risk management actions.

The identification and measurement of the Group’s interest rate risk in the banking book (IRRBB) complies with the methodology set out in the EBA Technical Standards EBA/RTS/2022/09, EBA/RTS/2022/10 and EBA/GL/2022/14, subsequently incorporated into Circular 285/2013, Part One, Title III, Chapter 1, Annexes C and C-bis, as amended by the 44th update and subsequent amendments. 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 Common Equity Tier 1 capital, e.g. property or intangible assets, or equity exposures 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, based on changes in present value, the impacts of the six prudential interest rate shocks defined by the Basel Committee on the economic value of equity, taking into account the entire remaining life of the balance sheet items. The second (NII) measures expected net profitability over a 12-month time horizon following only parallel interest rate shocks under a constant balance sheet assumption (whereby items maturing within the reference time horizon are replaced with similar instruments in terms of amount and type of interest rate). The income statement analysis also takes into account possible changes in the market value (MV) of financial instruments sensitive to interest rate movements, which have a direct impact on the profit and loss account or on overall profitability.

The impacts, both on capital and on net interest income, are calculated with reference to: i) the interest rate levels observed at the reporting date (the so-called baseline scenario); and ii) various prudential interest rate shock scenarios defined by the Supervisory Authority (6 shocks for EVE and 2 for NII). The stress scenarios envisaged are based on regulatory scenarios, in accordance with the guidelines issued by the European Banking Authority in 2018⁴:

- Parallel up – parallel upward shock;
- Parallel down – parallel downward shock;
- Steepener – increase in the slope of the curve;
- Flattener – a decrease in the slope of the curve;
- Short rate shock up – rise in short-term rates;
- Short rate shock down – a fall 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 extent of sensitivity to changes in interest rates (Δ EVE, Δ NII and Δ MV). The highest sensitivity figures for EVE and NII are referred to as ‘EVE under worst-case scenario’ and ‘NII under worst-case scenario’ respectively, and constitute the reference metrics for the regulatory warning indicator, namely the Supervisory Outlier Test (SOT). The SOT verifies whether the change in value corresponding to the most adverse scenario falls within predefined materiality thresholds of 15 per cent for EVE and 5 per cent for Tier 1 NII.

For the purposes of calculating interest rate risk, the so-called behavioural models of certain balance sheet items included within the scope of the assessment are of particular relevance, namely:

- **Current accounts with no fixed maturity (Non-Maturity Deposits – NMDs)**: by their very nature, these items do not, from a contractual perspective, have a fixed maturity and should therefore be treated, in the absence of behavioural models, as demand liabilities. In order to provide a representation that more closely reflects the substance

⁴ For the definition of scenarios, please refer to the document “EBA/GL/2018/02 – EBA Guidelines on the management of interest rate risk arising from non-trading activities (July 2018)

of these relationships, modelling is required to distinguish the stable (core) portion – which may be allocated across maturity bands up to a maximum of 5 years – from the non-stable (non-core) portion, which must be held 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, falling within the lower values of the respective ranges in the event of an upward shock, and within the upper values in the event of a downward shock. The core component is then allocated across the maturity bands following the ‘on-demand’ band in proportion to the number of months contained within them, assuming a maximum duration of 5 years for transactional retail counterparties, 4.5 years for non-transactional retail counterparties and 4 years for non-financial wholesale counterparties. The remaining amount (the so-called ‘non-core component’) is allocated to the sight period. The Bank has adopted a behavioural model for sight items, in accordance with the technical standards issued by the EBA (EBA/RTS/2022/09).

- **Fixed-rate mortgages with prepayment risk:** Positions relating to fixed-rate loans to retail counterparties exposed to prepayment risk are differentiated according to the assumed interest rate shock scenario, falling within the lower values in the event of an upward shock and within the higher values in the event of a downward shock.
- **Fixed-term deposits with early redemption risk:** Positions relating to fixed-rate term deposits with retail counterparties exposed to early redemption risk are represented by applying a differentiated early redemption rate for upward and downward shocks, with the ‘on-demand’ portion of the corresponding amount subject to early redemption being allocated accordingly.

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 reflecting credit risk, liquidity and other potential characteristics of credit-risk instruments, which are not captured by any other existing prudential framework. The CSRBB captures the risk of changes in an instrument’s spread, assuming the same level of creditworthiness – that is, the behaviour of the credit spread within a given rating/PD range.

The CSRBB aims to capture the combination of two main elements:

- changes in the market credit spread or market price of credit risk, which represents the credit risk premium demanded by market participants for a given credit quality. This differs from the idiosyncratic credit spread, defined as the counterparty-specific credit risk, which takes into account both the reference context (such as the economic sector and geographical area) in which the counterparty operates, and the specific characteristics of the credit instrument (for example, whether it is a secured or unsecured bond).

- changes in the market liquidity spread, which represents the liquidity premium determined by the market’s appetite for investment and the availability of buyers and sellers. In this regard, the spread, like the credit spread, is linked to the liquidity of various instruments within a particular rating class rather than to a specific instrument.

For the purposes of determining the scope of the CSRBB, the Bank does not exclude any instrument from the banking book ex ante, 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 included on a preliminary basis. Furthermore, other items in the banking book, even if they do not have a directly observable market value, may be considered sensitive to changes in credit spreads (for example, loans and amounts owed to customers). For this reason, separate measurements are carried out, referring solely to the securities portfolio and to the total items in the banking book considered sensitive to changes in credit spreads. In the latter case, different assumptions are made regarding the methods for calculating demand liabilities 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 historical series of credit spreads for the various identified categories, the following scenarios are constructed, on the basis of which measurements are subsequently carried out in terms of changes in economic value and net interest income:

- a. 1st percentile of the historical series of credit spreads;
- b. 99th percentile of the historical credit spread data series.

The Risk Management Function is responsible for periodically reviewing the *stress tests*, which are implemented in such a way as to ensure that the *sensitivity* scenarios used for the stress tests are always consistent with the types of financial instruments within the scope of the analysis and with any past and/or anticipated adverse market conditions.

Quantitative information

1.2.2.1 Banking book: distribution by residual maturity (by repricing date) of financial assets and liabilities – All currencies

Type/Residual maturity	On demand	Up to 3 months	Over 3 months up to 6 months	More than 6 months up to 1 year	From over 1 year up to 5 years	From over 5 years up to 10 years	More than 10 years	Indefinite duration	Total
1. Cash assets									
1.1 Debt securities									
- with an option for early redemption	0	0	0	0	0	0	0	0	0

Type/Remaining term	On demand	Up to 3 months	Over 3 months up to 6 months	More than 6 months up to 1 year	From over 1 year up to 5 years	From over 5 years up to 10 years	More than 10 years	Indefinite duration	Total
- other	0	65,405	9,793	110,614	383,815	125,520	30,069	0	725,216
1.2 Loans to banks	121,566	76,254	0	0	0	0	0	0	1G7.820
1.3 Loans to customers									
- current accounts	572,081	438	383	876	2,790	0	0	0	576,567
- Other loans									
- with an option for early repayment	114,037	62,920	10,914	201	0	0	0	0	188,071
- other	1,510,840	101,965	36,390	47,774	173,225	150,492	199,856	0	2,220,542
2. Cash liabilities									
2.1 Amounts owed to customers									
- current accounts	2,668,697	84,078	40,756	76,477	633,575	2,715	0	0	3,506.2G7
- other payables									
- with an option for early repayment	0	0	0	0	0	0	0	0	0
- others	29,953	41,729	0	0	787	14,607	0	0	87,076
2.2 Amounts owed to banks									
- current accounts	78,058	14,000	0	0	3,000	0	0	0	G5.058
- other payables	11,129	108,672	0	0	0	0	0	0	11G.801
2.3 Debt securities									
- with an option for early redemption	0	0	0	0	0	0	0	0	0
- other	0	2,992	0	0	63,661	18,906	0	0	85,560
2.4 Other liabilities									
- with an option for early repayment	0	0	0	0	0	0	0	0	0
- other	0	0	0	0	0	0	0	0	0
3. Financial derivatives									
3.1 With an underlying asset									
- 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 below									
- 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	14,425	0	0	0	0	0	0	14,425
+ short positions	0	128,989	5,871	514	0	0	0	0	135,375
4. Other transactions off-balance-sheet									
+ long positions	4,061	297	228	2,596	2,877	1,293	1,415	0	12,767
+ short positions	12,767	0	0	0	0	0	0	0	12,767

Notes

Long and short positions in other derivatives (see section 3.2) are expressed in notional values.

1.2.3 Foreign exchange risk

Qualitative information

A. General aspects, management processes and methods for measuring foreign exchange risk

Foreign exchange risk represents the risk of incurring losses on foreign currency transactions as a result of adverse movements in foreign exchange rates.

Within the Group, the only company exposed to foreign exchange risk is Gruppo Cambiano 1884 S.p.A.

The Bank's Finance Regulations set the daily overall foreign exchange position limit. The aim is to maintain daily positions that are generally balanced, whilst always complying with the limits set out in the Finance Regulations in force at any given time.

The Risk Management function carries out daily checks to ensure compliance with the constraints and limits on the overall foreign exchange position. The organisational structure provides that the management of foreign exchange risk is delegated to the Foreign Office for customer service activities and to the Securities Treasury Office for financial instruments, whilst the measurement of exposure is assigned to the Risk Management Office.

With regard to this risk, current supervisory regulations require compliance with a capital requirement equal to 8 per cent of the "net open foreign exchange position" only if the latter exceeds 2 per cent of own funds.

The Bank is exposed to foreign exchange risk to a marginal extent: as at 31 December 2025, the “net open foreign exchange position” is within 2 per cent of own funds, and is therefore exempt from the capital requirement referred to above.

B. Foreign exchange risk hedging activities

The Group has no outstanding foreign exchange hedging transactions.

Quantitative information

1.2.3.1 Breakdown by currency of denomination of assets, liabilities and derivatives

Items	Currencies					
	US dollar	Pound sterling	Swiss Swiss	Canadian dollar	JPY Japanese	Other currencies
A. Financial assets						
A.1 Debt securities	0	0	0	0	0	0
A.2 Equity securities	3,881	0	0	0	1,261	425
A.3 Loans to banks	1,327	56	8,045	3,169	142	568
A.4 Loans to customers	136,586	0	0	1,831	0	0
A.5 Other financial assets	0	0	0	0	0	0
B. Other assets	23G	25	24	73	G1	2,387
C. Financial liabilities						
C.1 Bank borrowings	57,900	0	0	0	0	1
C.2 Amounts owed to customers	13,220	11,417	46	245	17	497
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	29,428	12,991	0	0	0	0
+ Short positions	96,762	1,818	3,384	4,835	200	0
Total assets	171,460	13,072	8,06G	5,073	1.4G4	3,380
Total liabilities	167,881	13,235	3,431	5,081	217	4G8
Net change (+/-)	3.57G	-163	4.63G	-8	1,277	2,882

1.3 Derivatives and hedging policies

1.3.1 Trading derivatives

A. Financial derivatives

A.1 Financial derivatives held for trading: notional values at the end of the period

Underlying assets / Types of derivatives	Total 31/12/2025				Total 31/12/2024			
	Over-the-counter			Organised markets	Over-the-counter			Organised markets
	Central counterparties	Without central counterparties	Without central counterparties		Central counterparties	Without central counterparties	Without central counterparties	
		With netting agreements	Without netting agreements and			With netting agreements	Without netting agreements and	
1. Debt securities and interest rates interest								
a) Options	0	0	0	0	0	0	0	0
b) Swaps	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) Other	0	0	0	0	0	0	0	0
2. Equity securities and indices equity								
a) Options	0	0	0	0	0	0	0	0
b) Swaps	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) Other	0	0	0	0	0	0	0	0
3. Currencies and gold								
a) Options	0	0	0	0	0	0	0	0
b) Swaps	0	0	0	0	0	0	0	0
c) Forward	0	0	133,335	0	0	0	66,485	0
d) Futures	0	0	0	0	0	0	0	0
e) Other	0	0	0	0	0	0	0	0
4. Goods	0	0	0	0	0	0	0	0
5. Other underlying assets	0	0	0	0	0	0	0	0
Total	0	0	133,335	0	0	0	66,485	0
Average values	0	0	GG.G10	0	0	0	68,175	0

A.2 Trading financial derivatives: gross positive and negative fair value – breakdown by product

Underlying assets / Types of derivatives	Total 31/12/2025				Total 31/12/2024			
	Over-the-counter			Organised markets	Over-the-counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements and			With netting agreements	Without netting agreements and	
1. Positive fair value								
a) Options	0	0	0	0	0	0	0	0
b) Interest rate swap	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	484	0	0	0	422	0
f) Futures	0	0	0	0	0	0	0	0
g) Other	0	0	0	0	0	0	0	0
Total	0	0	484	0	0	0	422	0
2. Negative fair value								
a) Options	0	0	0	0	0	0	0	0
b) Interest rate swap	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	4,340	0	0	0	420	0
f) Futures	0	0	0	0	0	0	0	0
g) Other	0	0	0	0	0	0	0	0
Total	0	0	4,340	0	0	0	420	0

A.3 OTC trading financial derivatives: notional amounts, gross positive and negative fair values by counterparty

Contracts not covered by netting agreements	Central counterparties	Banks	Other companies financial	Other entities
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) Equity securities and share 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	126,639	0	6,696
- positive fair value	X	415	0	69
- negative fair value	X	4,156	0	183
4) Goods				
- notional value	X	0	0	0
- positive fair value	X	0	0	0
- negative fair value	X	0	0	0
5) Other				
- notional value	X	0	0	0
- positive fair value	X	0	0	0
- negative fair value	X	0	0	0
Contracts covered by 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) Equity securities and share 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) Goods				
- notional value	0	0	0	0
- positive fair value	0	0	0	0
- negative fair value	0	0	0	0
5) Other				
- notional value	0	0	0	0
- positive fair value	0	0	0	0
- negative fair value	0	0	0	0

A.4 Remaining life of OTC trading derivatives: notional values

Underlying assets/Remaining maturity	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 equity securities and share indices	0	0	0	0
A.3 Financial derivatives on exchange rates and gold	133,335	0	0	133,335
A.4 Financial derivatives on commodities	0	0	0	0
A.5 Other financial derivatives	0	0	0	0
Total 31/12/2025	133,335	0	0	133,335
Total as at 31 December 2024	66,485	0	0	66,485

1.3.2 Accounting hedges

Qualitative information

Within the Group, the only company that uses hedge accounting is the parent company, Banca Cambiano 1884 S.p.A. Upon first-time adoption of IFRS 9, Banca Cambiano exercised the option provided for in the Standard to continue applying the rules of IAS 39 in full for all types of hedges. Consequently, the provisions of IFRS 9 relating to hedging do not apply.

A. Fair value hedging

The hedging activities undertaken by the Bank are designed to immunise the banking book against changes in the fair value of funding and lending caused by movements in the interest rate curve (interest rate risk). As at 31 December 2025, there were no hedging transactions in place.

B. Cash flow hedging.

The Bank has no cash flow hedging transactions.

C. Hedging of foreign investments

The Bank has no hedging transactions relating to foreign investments.

D. Hedging instruments

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 commences and, prospectively, throughout its entire life. Effectiveness is assessed through specific measurements and is achieved when changes in *the fair value* of the hedging financial instrument almost entirely offset changes in the risk on the hedged item. The *range* within which a hedge is considered highly effective is between 80% and 125%. Effectiveness is assessed at each balance sheet date or interim reporting date (half-yearly). If the effectiveness test reveals an insufficient hedging relationship and the misalignment is deemed not to be temporary, the derivative instrument is allocated to the trading portfolio. Hedging derivatives are accounted for using the 'trade date' principle. As at 31 December 2025, there are no hedging transactions in place.

E. Hedged items

As at 31 December 2025, there were no hedging transactions in place.

E.1 Debt securities held as assets

As at 31 December 2025, there were no hedging transactions in place.

Quantitative information

A. Financial derivatives used for hedging

D. Hedged items

1.3.3 Further information on trading and hedging derivatives

A. Financial and credit derivatives

A.1 OTC financial and credit derivatives: net fair value by counterparty

Contracts not covered by netting agreements	Counterparties central	Banks	Other financial	Other entities
A. Financial derivatives				
1) Debt securities and interest rates				
- notional value	0	0	0	0
- positive net fair value	0	0	0	0
- negative net fair value	0	0	0	0
2) Equity securities and share indices				
- notional value	0	0	0	0
- positive net fair value	0	0	0	0

Contracts not covered by netting agreements	Counterparties central	Banks	Other financial	Other entities
- negative net fair value	0	0	0	0
3) Currencies and gold				
- notional value	0	126,639	0	6,696
- positive net fair value	0	415	0	69
- negative net fair value	0	4,156	0	183
4) Commodities				
- notional value	0	0	0	0
- positive net fair value	0	0	0	0
- negative net fair value	0	0	0	0
5) Other				
- notional value	0	0	0	0
- positive net fair value	0	0	0	0
- negative net fair value	0	0	0	0
B. Credit derivatives				
1) Purchase of protection				
- notional value	0	0	0	0
- positive net fair value	0	0	0	0
- negative net fair value	0	0	0	0
2) Sale of protection				
- notional value	0	0	0	0
- positive net 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 methods for measuring liquidity risk

Liquidity risk is managed by the Securities Portfolio and Treasury Department, the Financial Reporting Department, Planning and Management Control, and Risk Management, with the aim of verifying the Bank's ability to efficiently meet any liquidity requirements and avoid finding itself in situations of excess and/or insufficient liquidity, with the consequent need to invest and/or raise funds at rates unfavourable compared to market rates.

The overall model adopted by the Bank for the management and monitoring of liquidity risk is structured around three distinct areas, depending on the scope, time horizon and frequency of analysis:

- intra-day liquidity management, i.e. the management of daily settlements of debit and credit positions across the various settlement, payment and clearing systems in which the Bank participates;
- operational liquidity management, i.e. the management of the most volatile events affecting the Bank's liquidity position, with the primary objective of maintaining the Bank's ability to meet both routine and non-routine payment obligations, whilst minimising the associated costs;
- structural liquidity management, i.e. the management of all events within the banking book that affect the Bank's overall liquidity position over the medium term, with the primary objective of maintaining an appropriate dynamic balance between medium- and long-term liabilities and assets.

Significant support for liquidity risk management is provided by the monitoring carried out by Risk Management, using a model designed to identify the effects of investment and financing transactions through the analysis of their maturity distribution. Operations are measured using methodologies that enable the assessment and management of both any liquidity shortfall or surplus generated by an imbalance in cash inflows and outflows, and the structural balance resulting from the correct maturity composition of funding 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 involves constructing a 'maturity ladder' (a time-based scale of maturities) and the allocation of certain and estimated cash flows across its various time bands in order to calculate the cumulative gap for each maturity band.

As part of its liquidity policy, the Bank has defined, in line with the risk tolerance threshold established by the Board of Directors, alerts for the management of both operational and structural liquidity.

With regard to the management of operational liquidity, the limits are defined in terms of the absolute values of the cumulative gaps across the various maturities.

The Bank continuously monitors the value of its Counterbalancing Capacity (CBC), defined as the availability of assets that can be redeemed, sold or used in refinancing transactions with the interbank system, and which therefore enable liquidity to be generated quickly and efficiently.

The limit adopted by the Bank for monitoring structural liquidity risk is, however, 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 is maintained that is consistent with the strategy of funding medium- to long-term assets with liabilities of the same duration.

The Bank also has in place a "Liquidity Risk Governance and Management Manual" and a "Contingency Liquidity Plan", which serve as tools for mitigating liquidity risk.

The document sets out in detail the individuals and structures responsible for implementing extraordinary funding policies should the need arise, as well as the actions to be taken to remedy any such situations, in accordance with the regulatory requirements laid down by supervisory authorities.

As part of the development of the “Contingency Liquidity Plan”, the Bank has established a series of risk indicators, which are constantly monitored in order to anticipate any situations of stress or liquidity crises.

The “Liquidity Coverage Ratio” (LCR) is calculated in accordance with the provisions of EU Delegated Regulation 2015/61, issued to supplement EU Regulation No 575 of 26 June 2013 of the European Parliament (CRR), as well as the further guidance and recommendations of the European Banking Authority on this matter.

With regard to the “Net Stable Funding Ratio” (NSFR), the Bank has implemented a management-based measurement in accordance with the provisions of the Basel III Framework.

From the reference date of 9 July 2019, the Risk Management Function submits a specific template to the Supervisory Authority on a weekly basis for the monitoring of the liquidity position.

From the reference date of 11 November 2025, the Risk Management Function will send the Supervisory Authority a specific template for monitoring the liquidity position on a daily basis.

At its meeting on 28 February 2024, the Board of Directors approved the update to the Contingency Funding Plan (REG 151).

Quantitative information

A.1 Time distribution by remaining contractual maturity of financial assets and liabilities – All currencies

Items/Time bands	On demand	More than 1 day to 7 days	From more than 7 days to 15 days	More than 15 days to 1 month	From over 1 month up to 3 months	From over 3 months up to 6 months	From over 6 months up to 1 year	From over 1 year up to 5 years	More than 5 years	Indefinite duration	Totals
Cash assets											
A.1 Government securities	1,553	0	0	0	66,728	4,286	69,383	472,248	172,826	0	787,024
A.2 Other debt securities	0	0	0	0	31	93	4,804	0	0	0	4,928
A.3 O.I.C.R. units	35,379	0	0	0	0	0	0	0	0	0	35,379
A.4 Loans	0	0	0	0	0	0	0	0	0	0	0
- Banks	64,855	0	0	0	3,006	0	0	50,000	0	23,199	141,061
- Customers	537,604	4,965	7,631	28,767	136,224	133,107	207,983	904,655	973,520	50,725	2,985,181
Cash liabilities											
B.1 Deposits and current accounts	0	0	0	0	0	0	0	0	0	0	0
- Banks	77,920	0	0	8,511	14,000	0	0	3,000	0	0	103,431
- Customers	2,391,196	6,715	8,634	19,311	375,297	40,115	75,485	616,459	2,583	0	3,535,794
B.2 Debt securities	0	0	0	0	0	683	346	65,931	18,600	0	85,560
B.3 Other liabilities	11,571	1,737	100,000	0	8,010	0	0	0	33,182	0	154,500
‘Off-balance-sheet’ transactions											
C.1 Financial derivatives involving an exchange of principal	0	0	0	0	0	0	0	0	0	0	0
- Long positions	0	3,363	53,932	6,663	60,701	5,876	515	0	0	0	131,049
- Short positions	0	3,300	56,759	7,203	61,727	5,871	514	0	0	0	135,375
C.2 Financial derivatives without an exchange of principal	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 receivable	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	3,748	0	2	40	229	228	1,896	6,382	3,846	0	16,371
- Short positions	12,767	0	0	0	0	0	0	0	0	0	12,767
C.5 Financial guarantees issued	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 involving an exchange of principal	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 principal 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

1.5 Operational risks

Qualitative information

General aspects, management processes and methods for measuring operational risk

Operational risk is the risk of incurring losses arising from the inadequacy or malfunction of internal procedures, human resources and systems, or from external events. This risk is inherent in the conduct of banking and/or financial activities and may therefore arise from and be present in all business processes. In general, the main sources of operational risk can be attributed to internal fraud, external fraud, employment relationships and health and safety at work, professional obligations towards customers, damage caused by external events, IT system malfunctions, and the execution, delivery and management of processes.

The Group has established a set of organisational processes for monitoring and managing operational risks, within which it utilises specific functions:

- Internal Audit, whose activities are aimed, on the one hand, at verifying the regularity of operations and monitoring risk trends, and, on the other, at assessing the effectiveness of the overall internal control system;
- the Supervisory Body pursuant to Legislative Decree 231/2001, whose composition and functioning are governed by specific regulations, within the framework of the adopted Organisation, Management and Control Model;

- Risk Management, which addresses the need to identify and measure the risks typical of a banking business through constant monitoring of those assumed and those potentially generated by investment, lending and service policies;
- Compliance, which is responsible for overseeing and monitoring compliance with regulations, providing support in the prevention and management of the risk of incurring judicial or administrative sanctions and/or suffering significant losses resulting from breaches of external or internal regulations.

Also to guard against the occurrence of operational risks, the following have been drawn up and are constantly updated:

- the “Business Continuity Plan”, designed to safeguard the Group against critical events that could impair its full operational capacity;
- a mapping of the main operational processes (credit, finance and retail banking), with the aim of standardising staff behaviour and facilitating the integration of controls.

Particular attention has been paid to the issue of IT risk, which by definition falls within the scope of operational risk, by establishing rules and processes for the identification, recording and containment of events arising, or which may arise, from malfunctions in IT procedures and/or equipment, such as network outages, the unavailability of internet banking, and inaccuracies in applications used for branch operations.

Finally, as part of the measures undertaken to ensure full compliance with the new regulations introduced by the Bank of Italy through Circular 285, initiatives are noteworthy relating to the completion of the implementation of the provisions set out in 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 ensuring the effectiveness and efficiency of the measures protecting its information system, has defined – in close coordination with the project findings developed within the Cabel network and in accordance with current regulatory principles and provisions – a methodology for analysing IT risk and the related management process, which forms part of the Group’s broader risk management system. To calculate the capital requirement for operational risk, the Group has adopted the Basic Indicator Approach (BIA), which stipulates that the capital required to cover this type of risk is equal to 15 per cent of the average of the ‘relevant indicator’ for 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

The following table sets out the amounts of actual losses incurred over the last two financial years, classified according to the categories set out in the regulatory provisions. The scale of these losses, partly as a result of the findings of the risk assessment carried out on the specific type of risk in question, is not material; however, specific records are kept of the events that gave rise to the losses.

Types of loss-causing events	Definition	2025	2024
Event categories (Level 1)			
1. Internal fraud	Losses resulting from fraud, embezzlement or breaches of laws, regulations or company policies – excluding incidents of discrimination or failure to apply equal treatment – involving at least one internal party	0	0
2. External fraud	Losses due to fraud, embezzlement or breaches of law by a third party	39,419	6,896
3. Employment relations and health and safety at work	Losses arising from acts that do not comply with laws or agreements relating to employment, health and safety at work, from the payment of compensation for personal injury, or from incidents of discrimination or failure to application of equal terms and conditions	0	0
4. Customers, products and operating practices	Losses arising from breaches, whether unintentional or due to negligence, of professional obligations towards specific clients (including requirements of trust and suitability), or arising from the nature or design of the product	116,132	959,905
5. Damage to property	Losses due to loss of or damage to tangible assets resulting from natural disasters or other events	0	0
6. Business interruptions and malfunctions of IT systems	Losses due to business interruptions or IT system failures	0	0
7. Execution, delivery and management of processes	Losses due to shortcomings in the processing of transactions or the management of processes, as well as in relations with business partners, sellers and suppliers	183,383	234,543
TOTAL		338.634	1,201,344

ESG risks

At this initial stage of our approach to ESG risk analysis, greater attention has been paid to climate risks, in line with the guidance from supervisory authorities, as these risks are currently at a less advanced stage in terms of methodological approaches and analytical techniques compared to *social* and *governance* risks. Consequently, climate risks – categorised as physical and transition risks – have been separated from the risk map, distinct from other social and governance risks, which are of lesser relevance and materiality.

With this in mind, from the 2023 financial year onwards, quarterly analyses of exposure to the following are carried out:

- Transition risk on loans to non-financial counterparties, assessing the proportion of loans and net interest income attributable 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 associated with the properties securing credit exposures; and
- Physical risk of non-financial companies, aimed at estimating the impact and degree of exposure to physical risks associated with the properties in which these companies have their headquarters.

The relative level of the loan portfolio's exposure to transition risk was estimated by comparing the sectoral composition of the Bank's credit exposures to corporate counterparties with that of the Italian and European banking sectors, focusing on those sectors considered to be most exposed to this climate-related risk, in order to identify any over- or under-exposure of the Bank relative to the rest of the banking system.

Indeed, at this particular juncture in history, transition risk is closely linked to the likely impacts that the European Union's environmental policies – aimed at reducing greenhouse gas (GHG) emissions to mitigate the effects of climate change – may have on businesses.

This type of impact lends itself well to being analysed, as a first approximation, at sector level, as companies operating in the same sector tend, on average, to have similar business models, including in terms of emissions and therefore potential impacts.

The analysis, therefore, aimed to compare the sectoral composition of the Bank's 'corporate' loan portfolio with that of the banking sector as a whole.

Set out below is the breakdown of loans across the economic sectors considered to be most exposed to transition risk. These sectors were identified on the basis of guidance provided by the supervisory authorities, in particular the list of sectors for which the EBA has required banks to provide specific additional disclosures in their Pillar 3 reporting in relation to transition risk⁵. Data on Italian and European banking exposures were taken from the EBA database, updated to June 2025⁶.

NACE code	Sectors exposed to transition risk	Europe	Italy	Banking Changes
B	B – extraction of minerals from quarries and mines	0.9%	0.6%	0.9%
D	D – supply of electricity, gas, steam and air conditioning	5.7%	5.1%	0.2%
E	E – water supply; sewerage, waste management and sanitation services	1.1%	1.4%	0.6%
H	H – transport and storage	5.1%	5.6%	2.8%
C	C – manufacturing	15.7%	28.0%	26.4%
G	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	12.1%	17.0%	14.2%
L	L – real estate activities	18.3%	11.8%	15.2%
F	F – construction	4.4%	7.3%	7.9%
A	A – agriculture, forestry and fishing	3.0%	2.4%	6.7%
X	Other (Other NACE codes)	33.7%	20.8%	25.1%
Total		100.0%	100.0%	100.0%

An analysis of the sectoral breakdown of lending reveals that the Group's exposure to the sectors most vulnerable to transition risk is broadly in line with that of the banking sector, with a slightly higher proportion in the construction and agricultural sectors. Compared with European and Italian industry averages, the Group has limited exposure to the energy sector, the transport and storage sector, and the water supply, sewerage and waste management sector (categories D, E and H), which, by their nature, are highly susceptible to the dynamics of transition risk.

For the assessment of physical risks, landslide, water-related and seismic risks were analysed, both at the level of the non-financial corporate (NFC) portfolio (based on the municipality in which the company's head office is located) and at the level of the properties underpinning credit exposures. With regard to landslide and flood risks, reference was made to the contents of the ISPRA Environmental Report No. 356/2021 – 'Hydrogeological Instability in Italy: Hazard and Risk Indicators', in which, on the subject of landslide risk, the municipal area is divided into five hazard classes (AA – area of concern; P1 – moderate hazard; P2 – medium hazard; P3 – high hazard; P4 – very high hazard); whilst, with regard to flood risk, the municipal area is divided into three hazard classes (HPH – high hazard; MPH – medium hazard; LPH – low hazard).

As regards seismic risk, reference was made to the "Seismic Classification 04/2023" produced and published by the Civil Protection Department, 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 impairment add-ons, which resulted, on an individual basis, in an increase in adjustments to the Stage 1 portfolio of approximately €1.03 million and to the Stage 2 portfolio of approximately €2.68 million.

⁵ See EBA; Final draft implementing technical standards on prudential disclosures on ESG risks in accordance with Article 449a of the CRR; 24 January 2022.

⁶ 2024 – EU-wide transparency exercise.

References for Public Disclosure

Note: please note that the Public Disclosure (Basel III 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 capital

Section 1 – Consolidated Balance Sheet

A. Qualitative information

Asset management is the responsibility of the Board of Directors, which determines the optimal level of assets in accordance with the Bank's policies and strategic decisions. In line with its strategic development guidelines, the Bank takes the necessary measures to ensure that current and prospective capital adequacy is maintained, taking into account the Bank of Italy regulations in force at the time, the Basel III regulatory framework – which it uses to determine its own funds – and the targets set by the Supervisory Authority. Since 2019, the Group has had a Capital Management Plan in place, which is systematically monitored by the Risk Management function; the governance of this plan ensures the adequacy of current and prospective capital. Compliance with supervisory requirements is reviewed at least quarterly and, where 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 out in Article 92 of the CRR, the capital decisions issued by the Bank of Italy following 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%, Banca Cambiano is required to comply with the following requirements:

- Common Equity Tier 1 (CET1) ratio of 8.30%, comprising the binding measures of the Total SREP Capital Requirement of 5.80% (of which 4.5% in accordance with Article 92 of the CRR) and the Capital Conservation Buffer of 2.5%
- Tier 1 capital ratio of 10.20 per cent: comprising the binding Total SREP Capital Requirement of 7.70 per cent (of which 6 per cent in accordance with Article 92 of the CRR) and the capital conservation buffer of 2.5 per cent;
- Total capital ratio of 12.80 per cent, comprising the binding Total SREP Capital Requirement of 10.30 per cent (of which 8 per cent is in accordance with Article 92 of the CRR) and the Capital Conservation Buffer of 2.5 per cent.

To ensure compliance with the above binding requirements even in the event of a deterioration in the economic and financial environment, the Target component (Pillar 2 Guidance, P2G), identified to address increased risk exposure under stress conditions, amounts to 1.75 per cent.

On 26 April 2024, the Bank of Italy, exercising the powers granted to national authorities under Article 133 of EU Directive /2019/878 (known as CRD5), decided to activate a systemic risk buffer (SYRB) equal to 1.0 per cent of credit- and counterparty-risk-weighted exposures to residents in Italy.

The target rate of 1.0 per cent has been achieved gradually by building up a buffer equal to 0.5 per cent of relevant exposures by 31 December 2024 and the remaining 0.5 per cent by 30 June 2025.

As at 31 December 2025, the SYRB reserve amounted to 14.12 million, representing 0.846 per cent of total RWA.

The level of own funds as at 31 December 2025, standing at 13.65 per cent of CET1, 15.94 per cent of Tier 1 and 18.92 per cent of Total Capital, is fully adequate against all three mandatory capital requirements, and the CCoB and SyRB reserves are covered by Common Equity Tier 1 capital.

The figures set out above have been calculated using the so-called transitional regime in accordance with Article 468 of Regulation (EU) No 575/2013 (CRD) as amended by Regulation (EU) No 1623/2024, which came into force on 9 July 2024: the Bank has opted for the temporary treatment of excluding from the CET1 calculation any unrealised gains and losses measured at fair value and recognised in other comprehensive income for exposures to central governments classified therein. As at 31 December 2025, the CET1 add-back component amounts to 100 per cent of unrealised gains and losses, net of tax, totalling 0.6 million

The level of own funds as at 31 December 2025, known as 'fully loaded', results in the following capital *ratios*: 13.61% CET1, 15.91% Tier 1 and 18.89% Total Capital.

The monitoring of current and prospective capital adequacy is carried out not only by measuring and monitoring regulatory capital against 'Pillar 1' risks, but also through the assessment of internal capital suitable for addressing all types of risk (so-called 'Pillar 2' risks) as part of the ICAAP – the Internal Capital Adequacy Assessment Process – which culminates in the preparation of the annual group-level report and forms the basis for the subsequent Supervisory Review and Evaluation Process (SREP) carried out by the supervisory authority.

The bank's equity, as a financial resource capable of absorbing potential losses arising from exposure to business risks and therefore essentially falling within the definition of 'Own Funds' as referred to in EU Regulation 575/2013, is determined by the sum of share capital, share premium reserve, retained earnings, valuation reserves, capital instruments and profit for the year, for the portion to be allocated to reserves, as set out in Part B of this Section.

B. Quantitative information

Further quantitative and qualitative information relating to the company's equity, in addition to that set out in the tables below, is provided in Part B, section 14 of the liabilities and in the relevant chapter of the Management Report.

B.1 Consolidated equity: breakdown by type of enterprise

Items\Amounts	Prudential consolidation	Insurance companies	Other undertakings	Eliminations and adjustments arising from consolidation	Total
1. Share capital	288,300	0	0	-28,952	259,348
2. Share premium	803	0	0	0	803
3. Reserves	17,783	0	0	-17,715	67
- in profits	17,783	0	0	-17,715	67
a) statutory	8,010	0	0	-2,006	6,004
b) statutory	5,539	0	0	-3,368	2,171
c) treasury shares	0	0	0	0	0
d) other	4,234	0	0	-12,342	-8,108
- other	0	0	0	0	0
4. Equity instruments	40,000	0	0	0	40,000
5. (Treasury shares)	0	0	0	-1,990	-1,990
6. Valuation reserves	584	0	0	-82	502
- Equity securities designated at fair value with impact on comprehensive income	-222	0	0	0	-222
- Hedging of equity securities designated at fair value with an impact on comprehensive income	0	0	0	0	0
- Financial assets (other than equity securities) measured at fair value through comprehensive income	-585	0	0	0	-585
- Tangible assets	0	0	0	0	0
- Intangible assets	0	0	0	0	0
- Hedging 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 disposal	0	0	0	0	0
- Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness)	0	0	0	0	0
- Actuarial gains (losses) relating to defined-benefit pension schemes	-687	0	0	0	-687
- Share of valuation reserves relating to investments in associates accounted for using the equity method	2,078	0	0	-82	1,996
- Special revaluation legislation	0	0	0	0	0
7. Profit (loss) for the year	10,068	0	0	-1,092	8,975
Total	357,537	0	0	-4,831	307,706

B.2 Revaluation reserves for financial assets measured at fair value through other comprehensive income: breakdown

Assets/Values	Prudential consolidation		Insurance companies		Other undertakings		Eliminations and adjustments arising from consolidation		Total	
	Positive Positive	Negative reserve	Positive Positive	Reserve reserve	Reserve positive	Reserve negative	Reserve positive	Reserve negative	Reserve positive	Reserve deficit
1. Debt securities	0	585	0	0	0	0	0	0	0	585
2. Equity securities	54	275	0	0	0	0	0	0	54	275
3. Funding	0	0	0	0	0	0	0	0	0	0
Total as at 31 December 2025	54	861	0	0	0	0	0	0	54	861
Total as at 31 December 2024	42	2.58G	0	0	0	0	0	0	42	2.58G

B.3 Revaluation reserves for financial assets measured at fair value through other comprehensive income: year-on-year changes

Items	Debt securities	Equity securities	Loans
1. Opening balance	-2,151	-3G6	0
2. Increases	1.5G2	174	0
2.1 Increases in fair value	1,123	174	0
2.2 Value adjustments for credit risk	0	0	0
2.3 Transfer of negative realisation reserves to the profit and loss account	469	0	0
2.4 Transfers to other components of equity (equity securities)	0	0	0
2.5 Other changes	0	0	0

Items	Debt securities	Equity securities	Loans
3. Decreases	27	0	0
3.1 Decreases in fair value	11	0	0
3.2 Reversals of credit risk provisions	0	0	0
3.3 Transfer to the profit and loss account from positive reserves: from realisation	16	X	0
3.4 Transfers to other components of equity (equity securities)	0	0	0
3.5 Other changes	0	0	0
4. Closing stock	-585	-222	0

Section 2 – Own funds and prudential ratios

As provided for in the 8th Update to Circular 262 “Bank financial statements: formats and rules for preparation”, for further information please refer to the public disclosure (“Pillar 3”) provided on a consolidated basis by the Cambiano Banking Group.

PART G – Business combinations involving companies or business units

Section 1 – Transactions carried out during the financial year

During the 2025 financial year, no business combinations were carried out within the meaning of the accounting standard, as defined by IFRS 3.

Section 2 – Transactions carried out after the end of the financial year

No business combinations took place after the end of the financial year.

Section 3 – Retrospective adjustments

No adjustments have been recognised in the current financial year in relation to business combinations that took place in previous financial years.

PART H – Transactions with related parties

Introduction

As at 31 December 2025, the Bank is the parent company of the Cambiano Banking Group, comprising:

- Cambiano Leasing S.p.A.
- Società Immobiliare 1884 S.r.l.

The types of related parties, as defined by IAS 24, that are material to the Bank therefore include:

- the parent company;
- subsidiaries or entities subject to significant influence;
- directors with strategic responsibilities;
- close family members of directors with strategic responsibilities, or companies controlled by (or associated with) such directors or their close family members.

Information on the remuneration of key management personnel and on transactions with related parties is provided below

1. Information on the remuneration of directors with strategic responsibilities

The definition of executives with strategic responsibilities, in accordance with IAS 24, includes those individuals who have the power and responsibility, directly or indirectly, for the planning, management and control of the Group's activities, 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), members of the Board of Statutory Auditors are also included among executives with strategic responsibilities.

The following table sets out the remuneration accrued in 2025 for Directors, Statutory Auditors and senior executives with strategic responsibilities:

Items	31/12/2025	31/12/2024	Change	% change
a) Directors' remuneration	980	788	192	24.37%
b) Remuneration of statutory auditors	545	470	75	15.96%
c) Remuneration of senior executives	1,387	1,457	-70	-4.78%
Total	2.612	2,715	107	7.27%

2. Information on transactions with related parties

Directors	31 December 2025	31/12/2024	Change	% change
a) Receivables	3,510	5,931	-2,420	-40.81%
b) Guarantees given	86	0	86	-
Total	3.596	5.931	-2,334	-38.86%

Auditors	31 December 2025	31/12/2024	Change	% change
a) Receivables	9,837	0	9,837	-
b) Guarantees given	3	0	3	0.00%
Total	9.840	0	9.840	0.00%

With regard to transactions with parties exercising administrative, management and control functions within the Group, Article 136 of Legislative Decree 385/1993 and Article 2391 of the Civil Code apply.

More generally, for transactions with related parties, as defined by IAS 24, the prudential supervisory provisions set out in Title V, Chapter 5, of Bank of Italy Circular No. 263/2006 ("Risk activities and conflicts of interest with related parties"), except in a few limited cases due to the fact that the scopes of application of the two sets of regulations do not perfectly coincide.

Transactions with related parties are regularly carried out on arm's length terms and, in any event, on the basis of assessments of economic advantage and always in compliance with current legislation, providing adequate justification for the reasons and the economic advantage of entering into such transactions.

Among the main intra-group contracts currently in force, the following are noted as at the end of the financial year:

- 1) the agreement entered into between the Bank and the Parent Company for the Bank to carry out administrative and supervisory activities;
- 2) the contracts relating to the Parent Company's performance of audit, compliance, anti-money laundering, due diligence and risk management activities on behalf of the subsidiaries;
- 3) the loan agreements:
 - a) a cash flow facility of €20 million, linked to the parent company's financial requirements, granted in the form of a current account credit facility at a rate of 1%;
 - b) a cash flow facility of €293 million to meet the financial requirements of Cambiano Leasing, granted in the form of a current account credit facility at a rate of 3-month Euribor + 1.30 per cent

- c) a cash flow facility relating to the financial requirements of Immobiliare 1884 srl of €16.4 million, granted in the form of a current account credit facility at a rate of 2 per cent and an unsecured loan of €694 mgl at a rate of 4.75 per cent.

PART M – Lease Disclosures

This section provides the information required by IFRS 16 that is not included in other sections of the financial statements, broken down by lessee and lessor.

Section 1 – Lessee

Qualitative information

The Cambiano Banking Group primarily has property leases and car leases in place. The vast majority of property leases relate to properties intended for use as offices, bank branches or ATM locations. The contracts generally have terms exceeding 12 months and typically include renewal and termination options exercisable by the lessor and the lessee in accordance with statutory provisions or specific contractual terms. These contracts do not usually include a purchase option at the end of the lease term or significant restoration costs for the companies. Based on the characteristics of the lease agreements, where a new lease agreement is entered into with a fixed term (6 or 4 years) and an option to tacitly renew the agreement, the total duration of the lease is set equal to the sum of the periods in question (6+6 or 4+4). This general rule is overridden if there are new elements or specific circumstances within the agreement.

Car lease agreements relate to the long-term hire of company cars. These agreements have a three-year term, with monthly payments, no renewal option and do not include an option to purchase the asset. In the event of early termination, a penalty may be payable.

As already stated in the accounting policies, the Group makes use of the exemptions permitted by IFRS 16 for short-term leases (i.e. with a term of 12 months or less) or leases of assets of modest value (i.e. with a value of 5,000 euros or less).

Quantitative information

Part B – Assets of the Notes to the Financial Statements sets out, respectively, information on rights of use acquired under leases (Table 9.1 – Tangible assets for functional use: breakdown of assets measured at cost and Table 9.6 bis – Tangible assets for functional use – Right-of-use assets acquired under leases: annual changes) and, in Part B – Liabilities, lease liabilities are disclosed (Table 1.2 – Financial liabilities measured at amortised cost: breakdown by type of liabilities to customers and Table 1.6 – Financial liabilities measured at amortised cost: lease liabilities). In particular, the right-of-use assets acquired under leases amount to 13,231 thousands, of which 13,193 thousands relate to property leases. Lease liabilities amount to 13,963 thousands. Please refer to these sections for further details.

Part C of the Notes to the Financial Statements contains information on interest expense on lease liabilities and other charges relating to the right-of-use assets acquired under leases. Please refer to the relevant sections for further details.

Section 2 – Lessor

Qualitative information

The Banking Group carries out leasing transactions as a lessor primarily through the company Cambiano Leasing, S.p.A., a subsidiary of Banca Cambiano 1884 S.p.A.

Its operations mainly concern finance leases on property, plant and equipment, and industrial and commercial assets. The company also offers leasing products for capital goods and vehicles.

Lease financing is disclosed in the Notes to the Financial Statements (Part B, Assets – Table 4.2 – Financial assets measured at amortised cost: breakdown of receivables from customers by type). Please refer to these sections for further details.

Part C of the Notes to the Financial Statements contains information on interest income from lease financing and other income from finance and operating leases. Please refer to the relevant sections for further details.

2. Finance leases

2.1 Classification of payments receivable by time band and reconciliation with lease financing recorded under assets

The table provides a breakdown of payments receivable by time band, the finance gains embedded in the payments due, and the reconciliation between payments receivable and lease financing, in accordance with the provisions of IFRS 16.

The figures shown in the table include payments relating solely to active or non-performing lease contracts; figures relating to assets under construction and awaiting commissioning are excluded.

In particular, it should be noted that lease payments receivable are the sum of all payments required or that may be required from the lessee over the term of the lease, excluding contingent lease payments.

The guaranteed residual value corresponds to the buy-back option embedded in the outstanding principal instalments for which it is reasonably certain that the option will be exercised.

Gross investment means the sum of the minimum payments due and any unguaranteed residual value due to the lessor.

Time periods	31/12/2025	31/12/2024
	Payments receivable for the lease	Payments receivable for the lease
Up to 1 year	82,493	71,412

Time bands	31/12/2025	31/12/2024
	Payments receivable for lease	Lease payments receivable
More than 1 year up to 2 years	66,582	67,753
More than 2 years up to 3 years	52,325	52,697
From over 3 years up to 4 years	40,394	37,838
From over 4 years up to 5 years	25,616	24,916
More than 5 years	62,257	62,730
Total lease payments receivable	32G,666	317,346
RECONCILIATION WITH LOANS		
Unrealised financial gains (-)	40,461	30,654
Non-guaranteed residual value (+)	0	0
Lease financing	28G.205	286.6G2

2.2 Other information

2.2.1 Classification of finance leases by credit quality and type of leased asset

	Non-impaired finance		Impaired loans	
	Total (2025)	Total (2024)	Total (2025)	Total (2024)
A. Property:	G5.2G8	G7.875	12.2G8	14,774
- Land				
- Buildings	95,298	97,875	12,298	14,774
B. Capital assets	72,800	82,558	4.0G6	4.31G
C. Movable assets	GG.352	83,700	5,361	3,467
- Motor vehicles	91,064	76,676	4,376	3,467
- Aviation, naval and railway	8,287	7,024	985	0
- Other				
D. Intangible assets:				
- Trade marks				
- Software				
- Other				
Total	267,450	264,133	21,755	22,560

3. Operating leases

3.1 Classification of payments receivable by time band

Time bands	31/12/2025	31/12/2024
	Lease payments receivable	Lease payments receivable
Up to 1 year	0	0
More than 1 year up to 2 years	0	0
From over 2 years up to 3 years	0	0
From over 3 years to 4 years	0	0
From over 4 years up to 5 years	0	0
More than 5 years	0	0
Leasing finance	0	0

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS



BEPPE SERAFINI (1915–1987),
“*Tuscan countryside*”
second half of the 20th
century, oil and engravings on
cardboard, 50x70 cm,
Collection of

REPORT BY THE INDEPENDENT AUDITORS
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE NO. 39 OF 27 JANUARY
2010 AND ARTICLE 10 OF REGULATION (EU) NO. 537/2014

To the Shareholders of
Banca Cambiano 1884 S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of the Cambiano Banking Group (the "Group"), comprising the balance sheet as at 31 December 2025, the profit and loss account, the statement of comprehensive income, the statement of changes in equity, the cash flow statement for the financial year ended on that date, and the notes to the financial statements, which include relevant information on the accounting policies applied.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position as at 31 December 2025, its financial performance and cash flows for the financial year ended on that date, in accordance with the IFRS accounting standards issued by the International Accounting Standards Board and adopted by the European Union, as well as the provisions issued pursuant to Article 43 of Legislative Decree No. 136/15.

Key elements of the opinion

We conducted the audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under these standards are further described in the section *'Responsibilities of the audit firm for the audit of the consolidated financial statements'* in this report.

We are independent of Banca Cambiano 1884 S.p.A. (the "Bank") in accordance with the rules and principles on ethics and independence applicable under Italian law to the audit of financial statements. We believe that we have obtained sufficient and appropriate audit evidence on which to base our opinion.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Santa Sofia, 28 - 20122 Milano | Capitale Sociale: Euro 10.688.930,00 i.v.

Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

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Key aspects of the audit

The key audit matters are those matters which, in our professional judgement, were of most significance in the audit of the consolidated financial statements for the financial year under review. We addressed these matters as part of our audit and in forming our opinion on the consolidated financial statements as a whole; therefore, we do not express a separate opinion on these matters.

Classification and measurement of impaired loans to customers measured at amortised cost and classified as non-performing or in probable default

Description of the key audit matter

As reported in the 'Credit Quality' section of the management report and in the quantitative information under 'Section 1—Credit Risk' of Part E – Information on risks and related hedging policies in the notes to the financial statements as at 31 December 2025, the Group's impaired loans to customers measured at amortised cost amount to a gross value of €250.75 million, to which specific value adjustments of €111.97 million are associated, resulting in a net value of €138.78 million.

The management report also highlights that the coverage ratio for impaired loans to customers measured at amortised cost as at 31 December 2025 stands at 44.65 per cent. Specifically, these impaired loans, classified in accordance with the provisions of the international accounting standard IFRS 9 "Financial Instruments" in the so-called "third stage", include non-performing loans with a net value of €39.08 million, with a coverage ratio of 64.13 per cent, and loans in probable default with a net value of €80.89 million, with a coverage ratio of 32.95 per cent.

For the classification of credit exposures into 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 employed valuation processes and methods characterised by elements of subjectivity and the estimation of certain variables, such as, primarily, projected cash flows, expected recovery times and the estimated realisable value of collateral, where applicable, changes to which may result in a variation in the final recoverable amount.

Disclosures regarding the aspects described above are provided in the management report and in the notes to the financial statements: Part A – Accounting Policies, Part B – Information on the balance sheet, Section 4 of assets, Part C – Information on the profit and loss account, Section 8, and Part E – Information on risks and related hedging policies.

In view of the materiality of the amount of impaired loans to customers measured at amortised cost recognised in the financial statements, the complexity of the estimation processes adopted by the Group—which involved a detailed classification into homogeneous risk categories—as well as the significance of the discretionary elements inherent in the estimative nature of the recoverable amount (such as estimates of expected cash flows, the related recovery times and the value of any collateral, as well as possible recovery strategies), we considered that the classification of impaired loans to customers measured at amortised cost, categorised as ‘doubtful’ and ‘likely to default’, and their valuation should be regarded as a key audit matter in the audit of the Cambiano Banking Group’s consolidated financial statements as at 31 December 2025.

Audit procedures performed	As part of the audit work, the following main procedures, amongst others, were carried out: • understanding the internal regulations, processes and related organisational and procedural controls put in place by the Group regarding the methods for classifying and determining the recoverable amount of impaired loans to customers measured at amortised cost, classified as non-performing and in probable 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 in relation to the aforementioned processes; • a qualitative and trend analysis of impaired loans to customers measured at amortised cost, classified as non-performing and in probable default, through the calculation of appropriate qualitative and quantitative indicators in order to identify any matters of concern; • verification, for a sample of selected positions, of the classification and determination of the recoverable amount of loans to customers measured at amortised cost that are impaired, classified as non-performing or in probable default, on the basis of the relevant regulatory framework and applicable accounting standards; • analysis of events occurring after the balance sheet date; • verification of the completeness and compliance of the disclosures provided in the financial statements with the requirements of the relevant regulatory framework and applicable accounting standards.

Classification of non-impaired loans and advances to customers measured at amortised cost and classified in Stage 2

Description of the key audit matter

As reported in the 'Credit Quality' section of the management report and in the quantitative information relating to credit risk in Part E — Information on risks and related hedging policies of the notes to the financial statements as at 31 December 2025, the Group's non-impaired loans to customers measured at amortised cost amount to a gross value of €2,750.80 million, to which portfolio adjustments of €21.19 million are associated, resulting in a net value of €2,729.61 million, reflecting a coverage ratio of 0.77%. Of these, loans to customers classified as non-impaired but at higher risk are essentially categorised in the so-called 'second stage', amounting to a gross total of €337.52 million with a coverage ratio of 3.80%.

As part of its policies for managing customer loan receivables, the Group has adopted processes and procedures for monitoring the performance of loan accounts in accordance with sector regulations and internal provisions governing the rules for classification and transfer to the various risk categories. In the process of classifying non-impaired loans – including for the purposes of their subsequent valuation – the Group has taken into account the particular context of macroeconomic uncertainty arising from ongoing geopolitical tensions.

Disclosures regarding the aspects described above are set out in the management report and in the notes to the financial statements: Part A — Accounting Policies, Part B — Information on the balance sheet, Section 4 of assets, Part C — Information on the profit and loss account, Section 8, and Part E — Information on risks and related hedging policies.

In view of the materiality of the amount and the complexity of the classification process adopted by the Group, and taking into account the circumstances relating to the uncertainties associated with the current macroeconomic environment, we considered that the classification of loans to customers for non-impaired loans in Stage 2, measured at amortised cost, represents a key aspect of the audit of the consolidated financial statements of the Cambiano Banking Group as at 31 December 2025.

Audit procedures As part of the audit work, the following main procedures, amongst others, were carried out: following main audit procedures were carried out:

- understanding the internal regulations, processes and related organisational and procedural safeguards put in place by the Group in relation to the methods for classifying and monitoring the quality of non-impaired loans to customers measured at amortised cost, where necessary modified to take account of the effects arising from the context of macroeconomic uncertainty, in order to verify their compliance with the relevant regulatory framework and applicable accounting standards;
- verification of the implementation of the key controls identified in relation to the aforementioned processes;
- a qualitative and performance analysis of non-impaired loans to customers in order to identify any matters of interest;
- verification, for a sample of selected positions, of the classification of non-impaired loans to customers measured at amortised cost and classified in Stage 2, based on the relevant regulatory framework and applicable accounting standards;
- analysis of events occurring after the balance sheet date;
- verification of the completeness and compliance of the disclosures provided in the financial statements with the requirements of the relevant regulatory framework and applicable accounting standards.

Responsibilities of the Directors and the Board of Statutory Auditors for the consolidated financial statements

The Directors are responsible for the preparation of the consolidated financial statements so that they give a true and fair view in accordance with the IFRS accounting standards issued by the International Accounting Standards Board and adopted by the European Union, as well as the procedures issued pursuant to Article 43 of Legislative Decree No. 136/15 and, within the time limits laid down by law, for that part of the internal control which they deem necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or to unintentional errors or events.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, in the preparation of the consolidated financial statements, for the appropriate application of the going concern assumption, as well as for providing adequate disclosure in this regard. The Directors apply the going concern assumption in the preparation of the consolidated financial statements unless they have assessed that the conditions exist for the liquidation of the parent company, Banca Cambiano 1884 S.p.A., or for the cessation of operations, or unless they have no realistic alternatives to such options.

The Board of Statutory Auditors is responsible for supervising, in accordance with the law, the process of preparing the Group's financial reporting.

Responsibility of the audit firm for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or unintentional errors or events, and to issue an audit report that includes our opinion. 'Reasonable assurance' means a high level of assurance which, however, does not provide a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italy) will always detect a material misstatement, if one exists. Errors may arise from fraud or from unintentional acts or events and are considered material if they can reasonably be expected, individually or in the aggregate, to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of the audit conducted in accordance with International Standards on Auditing (ISA Italy), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- we identified and assessed the risks of material misstatement in the consolidated financial statements, whether due to fraud or to unintentional acts or events; we designed and performed audit procedures in response to those risks; and we obtained sufficient and appropriate audit evidence on which to base our opinion. The risk of failing to detect a material misstatement due to fraud is higher than the risk of failing to detect a material misstatement arising from unintentional acts or events, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the circumvention of internal control.
- We have obtained an understanding of the internal control relevant to the audit in order to design audit procedures appropriate to the circumstances, and not to express an opinion on the effectiveness of the Group's internal control.
- We have assessed the appropriateness of the accounting policies applied and the reasonableness of the accounting estimates made by the Directors, including the related disclosures.
- We have reached a conclusion on the appropriateness of the Directors' use of the going concern assumption and, based on the audit evidence obtained, on the possible existence of a material uncertainty regarding events or circumstances that may cast significant doubt on the Group's ability to continue as a going concern. Where significant uncertainty exists, we are required to draw attention in the audit report to the relevant disclosures in the financial statements or, if such disclosures are inadequate, to reflect this circumstance in the formulation of our opinion. Our conclusions are based on the audit evidence obtained up to the date of 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 the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that provides a fair presentation.
- We have obtained sufficient and appropriate audit evidence regarding the financial information of the entities or the various economic activities carried out within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit engagement. We are solely responsible for the audit opinion on the consolidated financial statements.

We have communicated to those charged with governance, identified at an appropriate level as required by ISA Italia, amongst other matters, the planned scope and timing of the audit and the significant findings that have emerged, including any significant weaknesses in internal control identified during the audit.

We have also provided those charged with governance with a statement confirming that we have complied with the ethical and independence standards and principles applicable under Italian law, and we have disclosed to them any circumstances that could reasonably be expected to affect our independence and, where applicable, the actions taken to eliminate the related risks or the safeguards applied.

Among the matters communicated to those charged with governance, we have identified those that were most significant in the context of the audit of the consolidated financial statements for the financial year under review, which therefore constituted the key audit matters. We have described these matters in the auditor's report.

Further information disclosed pursuant to Article 10 of Regulation (EU) No 537/2014

On 14 June 2020, the Shareholders' Meeting of Banca Cambiano 1884 S.p.A. appointed us to carry out the statutory audit of the Bank's separate and consolidated financial statements for the financial years from 31 December 2020 to 31 December 2028.

We declare that we have not provided any services other than the statutory audit that are prohibited under Article 5(1) of Regulation (EU) No 537/2014 and that we have remained independent of the Bank in carrying out the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with that set out in the supplementary report addressed to the Board of Statutory Auditors, in its capacity as the Internal Control and Audit Committee, prepared in accordance with Article 11 of the aforementioned Regulation.

REPORT ON OTHER LEGAL AND REGULATORY PROVISIONS

Opinions and declaration pursuant to Article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree 39/10

The Directors of Banca Cambiano 1884 S.p.A. are responsible for preparing the management report of the Cambiano Banking Group as at 31 December 2025, including its consistency with the related consolidated financial statements and its compliance with statutory requirements.

We have carried out the procedures set out in Auditing Standard (SA Italia) No. 720B in order to:

- to express an opinion on the consistency of the management report with the consolidated financial statements;
- to express an opinion on the compliance of the management report with statutory requirements;
- to issue a statement on any material misstatements 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 2025.

Furthermore, in our opinion, the management report has been drawn up in accordance with the law.

With regard to the statement referred to in Article 14(2)(e-ter) of Legislative Decree 39/10, issued on the basis of the knowledge and understanding of the company and its context acquired in the course of the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.


Antonio Sportillo
Socio

Florence, 11 May 2026

ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation between the reclassified consolidated balance sheet and income statement and the consolidated financial statements

Set out below are the reconciliation statements used to prepare the reclassified consolidated balance sheet and income statement.

Balance Sheet

Assets		31/12/2025	31/12/2024
Cash		14.81G	15,246
10.	Cash and cash equivalents	136,626	131,313
	less: Demand deposits with banks	-121,808	-116,067
Financial assets		850.2G6	G30.G32
	(a) financial assets held for trading	77,362	98,293
20. a)	Financial assets measured at fair value through profit or loss a) held for trading	74,243	92,055
	plus: Other assets (tax credits) held for trading reclassified from Other Assets – Item 130	3,119	6,238
20. b)	b) financial assets designated at fair value	0	0
	c) other financial assets required to be measured at fair value	37,695	39,828
20. c)	Financial assets measured at fair value through profit or loss c) other financial assets required to be measured at fair value	154,489	138,182
	less: Loans required to be measured at fair value	-116,794	-98,354
	d) Financial assets measured at fair value through profit or loss comprehensive income	82,002	173,188
30.	Financial assets measured at fair value through other comprehensive income	82,002	173,188
	e) Financial assets measured at amortised cost	653,236	619,623
	- Banks	0	2,737
	plus: Debt securities reclassified from Loans to banks – item 40 to	0	2,737
	- Customers	653,236	616,886
	plus: Debt securities reclassified from Loans and advances to customers – item 40 b	653,236	616,886
Loans		3,25G,560	3,310,322
	a) loans and advances to banks	198,061	264,342
40 a)	Financial assets measured at amortised cost a) loans and advances to banks	76,253	151,012
	less: Debt securities	0	-2,737
	plus: Loans to banks reclassified from Cash and cash equivalents – Item 10	121,808	116,067
	b) loans to customers	2,868,387	2,862,900
40 b)	Financial assets measured at amortised cost b) loans and advances to customers	3,521,623	3,479,786
	less: Debt securities	-653,236	-616,886
	c) Loans required to be measured at fair value	116,794	98,354
	plus: Loans to customers reclassified from other financial assets required to be measured at fair value – Item 20 c)	116,794	98,354
	d) Other assets	76,318	84,726
	plus: Tax credit financing to the CA reclassified from Other Assets – Item 130	76,318	84,726
Equity investments		0	16,375
70.	Equity investments	0	16,375
Tangible assets		103,112	G2.57G
90.	Tangible assets	103,112	92,579
Intangible assets		5,437	5,0G0
100.	Intangible assets	5,437	5,090
Tax assets		1G.G21	15,714
110.	Tax assets	19,921	15,714
Non-current assets and disposal groups		0	0
120.	Non-current assets and disposal groups	0	0
Other assets		6G.656	52,165
130.	Other assets	149,094	143,129
	less: Other assets (tax assets) held for trading	-3,119	-6,238
	less: Tax credit financing to the CA	-76,318	-84,726
TOTAL ASSETS		4,322,800	4,438,424

Liabilities and equity items		31/12/2025	31/12/2024
Amounts owed to banks and institutional counterparties		248,041	306,875
	a) liabilities to banks	214,859	111,102
10. a)	Financial liabilities measured at amortised cost a) bank borrowings	214,859	111,102
	b) payables to institutional counterparties	33,182	195,774
	plus: Amounts owed to institutional counterparties under 'Amounts owed to customers' – Item 10(b)	33,182	195,774
Direct deposits		3,645,751	3,726,511
	a) amounts owed to customers	3,560,191	3,613,729
10. b)	Financial liabilities measured at amortised cost b) amounts owed to customers	3,593,373	3,809,502
	less: Amounts owed to institutional counterparties	-33,182	-195,774
	b) securities in issue	85,560	115,782
10. c)	Financial liabilities measured at amortised cost c) securities in issue	85,560	115,782
Financial liabilities held for trading		4,340	420
20.	Financial liabilities held for trading	4,340	420
Tax liabilities		4,653	1,104
60.	Tax liabilities	4,653	1,104
Liabilities associated with assets held for disposal		0	0
70.	Liabilities associated with assets held for disposal	0	0
Other liabilities		103,113	100,607
80.	Other liabilities	103,113	100,907
Provisions		6,165	8,400
90.	Staff severance pay	3,158	3,342
100	Provisions for risks and charges:	6,037	5,058
TOTAL LIABILITIES		4,015,064	4,147,217
Equity		307,706	261,207
120.	Revaluation reserves	557	-1,064
130.	Redeemable shares	0	0
140.	Equity instruments	40,000	40,000
150.	Reserves	-8,899	-17,545
160.	Share premium	803	803
170.	Share capital	252,800	252,800
180.	Treasury shares (-)	-987	0
190.	Equity attributable to minority interests	15,176	1,255
200	Profit/Loss for the year	8,254	14,958
TOTAL LIABILITIES AND EQUITY		4,322,800	4,438,424

Profit and Loss Account

Income Statement Items		31 December 2025	31/12/2024
10.	Interest income and similar income	143,958	180,234
20.	Interest expense and similar charges	-63,163	-95,726
30.	Net interest income	80,764	84,508
70.	Dividends and similar income	909	544
Net interest income		81,704	85,052
40.	Commission income	37,326	36,142
50.	Commission expense	-7,057	-5,958
	plus Commission expense recoveries reclassified from Other income and expenses - Item 230	255	331
Net commission income		30,523	30,515
Net result from treasury operations:		11,865	7,616
80.	Net trading profit	7,555	9,499
90.	Net result from hedging activities	0	0
100. a)	Gains (losses) on disposal or repurchase of a) financial assets measured at amortised cost	1,699	705
	less gains/losses on the disposal of NPL loans	-58	569
100. b)	Gains (losses) on the disposal or repurchase of b) financial assets measured at fair value through other comprehensive income	498	965
100. c)	Gains (losses) on the disposal or repurchase of c) financial liabilities	13	20
110. a)	a) financial assets and liabilities designated at fair value	0	0
110. b)	b) other financial assets required to be measured at fair value	1,854	-4,278
	less net result on loans mandatorily measured at fair value	304	137
Other net operating income/expenses		1,078	-85
230.	Other operating expenses/income	9,335	8,005
	less Recovery of commission expense	-255	-331
	less Recoveries of staff costs	-326	-266
	less Recoveries of other administrative expenses	-7,677	-7,493
	less Badwill	0	0
	less Legal defence costs covered by provisions for risks and charges	0	0
Other operating income		43,466	38,046

Income Statement Items		31 December 2025	31 December 2024
Operating income		125,170	123,101
	a) staff costs	-37,485	-35,805
190. a)	Administrative expenses a) staff costs	-37,811	-36,071
	- Recoveries of staff costs reclassified from Other income and expenses - Item 200	326	266
	b) other administrative expenses	-35,271	-31,980
190. b)	Administrative expenses b) other administrative expenses	-43,295	-43,444
	- Recoveries of other administrative expenses reclassified from Other income and expenses – Item 200	7,677	7,493
	- Charges relating to the banking system (contributions to the DGS and FITD Funds) reclassified to a separate item	348	3,971
	Net write-downs/write-backs on tangible and intangible assets	-7,108	-7,292
210.	Net write-downs/write-backs on tangible assets	-5,562	-5,209
220.	Net write-downs/write-backs on intangible assets	-2,010	-2,548
	less Amortisation of intangible assets recognised following the PPA	464	465
	Net result of the fair value measurement of tangible and intangible assets	-502	0
260	Net result of fair value measurement of tangible and intangible assets	-502	0
Operating expenses		-80,366	-75,076
Operating profit		44,804	48,025
	Net value adjustments on loans to customers	-34,362	-27,496
130. a)	Net credit risk value adjustments/reversals for (a) financial assets measured at amortised cost	-33,940	-26,338
	less credit risk adjustments/reversals on debt securities at amortised cost	-2	-57
	plus gains/losses on the disposal of NPLs reclassified from item 100(a)	58	-569
	plus net result on loans mandatorily measured at fair value reclassified from item 110 b)	-304	-137
140.	Gains/losses arising from contractual amendments excluding derecognitions	-174	-395
	Net value adjustments on securities and other financial assets	29	284
130. b)	Net credit risk impairment losses/reversals on b) financial assets measured at fair value through other comprehensive income	27	227
	plus credit risk adjustments/reversals on debt securities and loans to banks at amortised cost	2	57
	Net provisions for risks and charges: guarantees and commitments	-393	-291
200. a)	Net provisions for risks and charges: a) guarantees and commitments	-393	-291
Net credit impairment losses		-34,727	-27,503
	Net provisions for risks and charges: other	-571	1,801
200. b)	Net provisions for risks and charges b) other net provisions	-571	1,801
	less: Drawdowns on provisions for risks set aside in previous financial years to cover Legal defence costs reclassified from 'Other income and expenses' – item 200	0	0
	Gains (Losses) on equity investments	1,841	442
220.	Gains (Losses) on equity investments	1,841	442
	Gains (Losses) on disposal of investments	895	-234
250.	Gains (Losses) on disposal of investments	895	-234
	Charges relating to the banking system (contributions to the DGS and FITD funds)	-348	-3,971
	plus Expenses relating to the banking system (contributions to the DGS and FITD Funds) reclassified from Administrative expenses b) other administrative expenses - Item 160 b)	-348	-3,971
Gross profit from ordinary operations		11,895	18,560
	Income tax for the year on current operations	-2,455	-3,067
270.	Income tax for the year on continuing operations	-2,455	-3,067
Net profit from current operations		9,439	15,493
	PPA	0	0
	Goodwill impairment / Amortisation of intangible assets	-464	-465
240.	Value adjustments to goodwill	0	0
	less Amortisation of intangible assets recognised following the PPA	-464	-465
	Profit (Loss) from discontinued operations, net of tax	0	0
290.	Profit (Loss) from discontinued operations, net of tax	0	0
Profit (Loss) for the year		8,975	15,028
340.	Profit (Loss) for the year attributable to minority interests	721	70
Profit (Loss) for the year attributable to the parent company		8,254	14,958

Statutory audit fees

In accordance with the provisions of Article 2427, paragraph 1, no. 16-bis of the Italian Civil Code, the fees contractually agreed for the 2025 financial year with the Audit Firm for the statutory audit of the accounts and for the provision of other services rendered to the Group are summarised below.

The amounts are exclusive of VAT and expenses.

Type of services	Entity providing the service: audit firm / statutory auditor	Total fees (in euros)
A) Statutory audit	Deloitte C Touche s.p.a.	113,548
B) Assurance services	Deloitte C Touche s.p.a.	5,000
C) Tax advisory services		0
D) Other services	Deloitte C Touche S.p.A.	32,911
Total fees		151.45G

State-by-State Disclosure

The 4th update to Bank of Italy Circular No. 285 of 17 December 2013, in Title III, Chapter 2, transposes into Italian law the rules on country-by-country public disclosure, introduced by 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 annually, as an annex to its financial statements or on its website, a range of qualitative and quantitative information. Consequently, it is necessary to publish the information identified by letters (a), (b) and (c) of Annex A to Part One, Title III, Chapter 2, with reference to the situation as at 31 December 2025.

Specifically:

- Company name and nature of business
- Turnover
- Number of employees on a full-time equivalent basis
- Profit or loss before tax
- Tax on profit or loss
- Public funding received

The required information is set out below.

1. Names of the companies and nature of their activities

This disclosure relates to the Cambiano Banking Group, which operates in Italy and comprises the following companies:

Banca Cambiano 1884 S.p.A. – Parent company of the banking group, with its registered office and head office at Viale Antonio Gramsci, 34 - 50132 Florence – Share capital: €252,799,999.60 fully paid up – tax code and registration in the Florence Register of Companies: 002599341209, VAT number 002599341209, a member of the National Guarantee Fund and the Interbank Deposit Protection Fund;

Cambiano Leasing S.p.A. – a 95.00% subsidiary engaged in leasing activities, with its registered office and head office at Piazza Garibaldi 3 - 50053 Empoli (FI) – Share capital €10,000,000.00 fully paid up – tax code and registration in the Florence Register of Companies 01085070496, VAT number 04487530489, registered in the Single Register pursuant to Article 106 of the Consolidated Banking Act;

Immobiliare 1884 S.r.l. – a wholly-owned subsidiary engaged in property development, with its registered office at Viale Antonio Gramsci, 34 – 50132 Florence - Share capital: €13,500,000.00 fully paid up; tax code and registration in the Florence Register of Companies: 06780730484; VAT number: 06780730484;

2. Turnover

The 4th update to Circular 285/2013, referred to above, defines turnover as the ‘brokerage margin’ reported under item 120 of the profit and loss account.

Company	Net interest and other banking income (in thousands of euros)
Banca Cambiano 1884 S.p.A.	118,466
Cambiano Leasing S.p.A.	5,527
Immobiliare 1884 S.r.l.	-356
C.H. S.p.A.	53
Consolidation adjustments	-97
Group total	123.562

3. Number of employees on a full-time equivalent basis

This section sets out the ratio between the total number of hours worked by all Group employees, excluding overtime, and the total annual hours contractually stipulated for a full-time employee. For 2025, the number of employees calculated in this way is 428.32.

4. Profit or loss before tax

‘Profit or loss before tax’ refers to the sum of items 290 and 320 (the latter before tax) in the consolidated income statement. For 2025, the profit amounts to €11,320,165.

5. Tax on profit or loss

‘Tax on profit or loss’ refers to the sum of the taxes referred to in item 300 of the consolidated income statement, as set out in Bank of Italy Circular 262, and the taxes relating to disposal groups. For 2025, these amount to €2,455,495.

6. Public grants received

The item ‘Public grants received’ includes grants received directly from public authorities. This item does not include transactions carried out by central banks for the purposes of financial stability, nor transactions falling within State aid schemes approved by the European Commission. During the 2025 financial year, the Cambiano Banking Group received public grants totalling €200 thousand to fund staff training courses.



COMPANY FINANCIAL STATEMENTS

MANAGEMENT REPORT

Reference to other parts of the Financial Statements

This separate management report covers only the performance of the Parent Company. For all other information required by law and regulations, please refer to the relevant sections – within the context of the discussion of specific topics – in the Notes to these separate financial statements or in the consolidated financial statements and the related management report.

In particular, reference should be made to the Notes to these separate financial statements with regard to:

- information relating to the Bank's dealings with related parties, which is set out in Part H;
- information on financial and operational risks, which is set out in Part E;
- information on equity, set out in Part F.

Please refer, however, to the Consolidated Management Report for:

- economic environment: national and international, and national and local
- significant events that occurred during 2025
- organisational model: research and development and innovation activities
- the operational structure
- risk management and control
- Significant events occurring after the end of the financial year
- the foreseeable business outlook

Key summary figures

The following tables set out summary financial and balance sheet data, calculated on the basis of the reclassified financial statements, prepared in accordance with the methods outlined in the section of the Report analysing the financial and operating results.

SUMMARY FINANCIAL AND EQUITY DATA			
<i>figures in €/000</i>			
SUMMARY INCOME STATEMENT FIGURES	31/12/2025	31/12/2024	% change
Net interest income	75,136	79,175	-5.10%
Net commission income	30,846	30,934	-0.28%
Operating income	119,210	118,260	0.80%
Total operating costs	76,536	72,705	5.27%
of which staff costs	36,070	34,583	4.30%
of which other administrative expenses	33,752	30,948	9.06%
Operating profit	42,673	45,555	-6.33%
Net profit for the year	7,030	14,005	-49.80%

SUMMARY BALANCE SHEET DATA	31/12/2025	31/12/2024	% change
Total assets	4,268,462	4,384,166	-2.64%
Total risk-weighted assets (RWA)	1,565,836	1,656,225	-5.46%
Loans to customers (net)	2,814,496	2,810,188	0.15
of which non-performing loans	32,880	34,504	-4.71%
Total financial assets	850,155	930,914	-8.68%

SUMMARY BALANCE SHEET AND INCOME STATEMENT DATA			
Deposits	5,559,330	5,416,031	2.65%
of which direct deposits	3,659,853	3,729,703	-1.87%
of which indirect deposits	1,899,477	1,686,328	12.64%
Statutory equity	287,331	285,062	0.80%
Common Equity Tier 1 (CET1) capital	222,080	241,503	-8.04%
Total own funds	309,950	338,040	-8.31%

STRUCTURAL DATA	31/12/2025	31/12/2024	Absolute change
Employees (exact number)	440	430	10
Employees (average)	434	412	22
Number of branches	44	44	0

ECONOMIC AND FINANCIAL RATIOS			
PROFITABILITY RATIOS (%)	31 December 2025	31/12/2024	% change
Return on equity (ROE) (1)	2.51%	5.17%	-2.66%
Return on tangible equity (ROTE) (2)	2.56%	5.27%	-2.71%
Return on assets (ROA) (3)	0.16%	0.32%	-0.15%
Financial margin/Operating profit	63.79%	67.41%	-3.62%
Net commission income/Operating income	25.88%	26.16%	-0.28%
Cost/Income (Operating expenses/Operating income) (4)	64.20%	61.48%	2.72%
STRUCTURAL RATIOS (%)			
Loans to customers / Total assets	65.94%	64.10%	1.84%
Loans to customers / Direct deposits from customers	76.90%	75.35%	1.56%
Financial assets / Total assets	19.92%	21.23%	-1.32%
Gross non-performing loans / Gross loans to customers	7.63%	7.07%	0.56%
Net non-performing loans / Net loans to customers	4.16%	4.12%	0.03%
OPERATING PRODUCTIVITY DATA (€/1,000)			
Loans to customers / employees (average)	6,485	6,821	-4.92%
Interest margin / employees (average)	173	192	-9.91%
Net commission income per employee (average)	71	75	-5.34%
Operating income per employee (average)	275	287	-4.31%
Operating expenses per employee (average)	176	176	-0.07%
REGULATORY CAPITAL AND LIQUIDITY RATIOS			
CET1 ratio	14.18%	14.58%	-0.40%
Tier 1 capital ratio	16.63%	17.00%	-0.37%
Total capital ratio	19.79%	20.41%	-0.62%

(1) ROE is calculated as the ratio of net profit for the year to equity excluding net profit.

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

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

(4) The cost-to-income ratio is calculated on the basis of the reclassified income statement formats (ratio of operating expenses to operating income). Calculated in accordance with the financial statement formats set out in Bank of Italy Circular 262/2005 and subsequent updates, the cost-to-income ratio stands at 65.48% (64.21% as at 31 December 2024).

Credit and financial intermediation

Analysis of balance sheet and income statement items

Set out below, in thousands of euros, are the main balance sheet and income statement items as at 31 December 2025, compared with the comparative figures shown.

To ensure greater clarity in the presentation of the results for the financial year, the financial statements required by Bank of Italy Circular 262/2005 have been presented in a reclassified format ⁽⁷⁾. In particular:

- demand deposits with banking counterparties (included in item 10 'Cash and cash equivalents') have been reclassified to the item 'Loans and advances to banks';
- debt securities measured at amortised cost (included under item 40 'Financial assets measured at amortised cost') have been reclassified under the item 'Financial assets';
- loans that must be measured at fair value (included under item 20(c) "Financial assets measured at fair value through profit or loss – other assets that must be measured at fair value") have been reclassified under the item "Loans";
- receivables relating to "Tax bonuses", included under item 120 "Other assets", have been reclassified to the items "Financial assets held for trading" and "Loans d) Other assets" on the basis of the business model adopted for their management;
- payables to institutional counterparties (included under item 10 "Financial liabilities measured at amortised cost b) payables to customers") have been reclassified under the item "Payables to banks and institutional counterparties b) payables to institutional counterparties";
- the item "Other liabilities" includes items 60 "Tax liabilities" and 80 "Other liabilities";
- The item "Provisions" includes items 90 "Staff severance pay" and 100 "Provisions for risks and charges".

Reclassified Balance Sheet

(figures in thousands)

Asset items	31/12/2025	31/12/2024	Changes Amounts	Changes %
Cash	14,797	15,241	-444	-2.61%
Financial assets	850,155	630,614	-80,75G	-8.68%
a) financial assets held for trading	77,362	98,293	-20,932	-21.30%
b) financial assets designated at fair value	0	0	0	0.00%
c) other financial assets required to be measured at fair value	37,695	39,828	-2,132	-5.35%
d) Financial assets measured at fair value through on comprehensive income	81,862	173,170	-91,308	-52.73%
e) Financial assets measured at amortised cost	653,236	619,623	33,613	5.42%
- Banks	0	2,737	-2,737	-100.00%
- Customers	653,236	616,886	36,350	5.89%
Loans	3,202,8G4	3,254,662	-51,768	-1.56%
a) loans to banks	197,821	264,169	-66,348	-25.12%
b) loans to customers	2,814,496	2,810,188	4,308	0.15
c) Loans required to be measured at fair value	114,258	95,579	18,679	19.54%
d) Other assets	76,318	84,726	-8,408	-9.92%
Equity investments	47,308	48,615	-1,307	-2.69%
Tangible assets	62,294	64,100	-1,806	-2.82%
Intangible assets	5,420	5,090	330	6.48%
Tax assets	19,116	14,845	4,270	28.77%
Non-current assets and groups of assets held for disposal	0	0	0	0.00%
Other assets	66,479	50,700	15,780	31.12%
TOTAL ASSETS	4,268,462	4,384,166	-115,704	-2.64%

⁷ For further details on how the reclassified statements are presented, please refer to the appendix 'Reconciliation between the financial statements and the reclassified financial statements'.

Liabilities and equity items	31/12/2025	31/12/2024	Changes Amounts	Changes %
Amounts owed to banks and institutional counterparties	211,232	267,631	-56,400	-21.07
a) liabilities to banks	178,050	71,858	106,192	147.78%
b) liabilities to institutional counterparties	33,182	195,774	-162,592	-83.05%
Direct deposits	3,65G,853	3,72G,703	-6G.84G	-1.87%
a) amounts owed to customers	3,574,294	3,613,921	-39,627	-1.10%
b) securities in issue	85,560	115,782	-30,222	-26.10%
Financial liabilities held for trading	4,340	420	3,919	932.17%
Tax liabilities	3,336	31	3,305	10,520.32%
Liabilities associated with discontinued operations	0	0	0	0.00%
Other liabilities	93,680	93,243	437	5.41%
Provisions	8,690	8,075	615	0.00%
TOTAL LIABILITIES	3,681,131	4,0GG,104	-117.G73	0.00%
Equity	287,331	285,062	2.26G	0.00%
Revaluation reserves	694	-1,064	1,758	4.40%
Redeemable shares	0	0	0	0.00%
Equity instruments	40,000	40,000	0	0.00%
Reserves	-13,997	-21,482	7,485	2.96%
Share premium	803	803	0	0.00%
Capital	252,800	252,800	0	0.00%
Treasury shares (-)	0	0	0	0.00%
Profit/Loss for the year	7,030	14,005	-6,975	-49.80%
TOTAL LIABILITIES AND EQUITY	4,268,462	4,384,166	-115,704	-2.64%

Financial assets

The item 'Financial assets' includes all financial assets held by the bank and allocated to the various business lines. As at 31 December 2025, the item stood at €850 million, representing a decrease of €81 million (-8.68%) over the reporting period. The decrease recorded in this item during the period is mainly attributable to the reduction in government bonds held for trading (-€19.3 million) and in government bonds allocated to the HTCS portfolio with an impact on OCI (-€89.1 million). This reduction was only partially offset by the increase in securities measured at amortised cost (+€33.6 million).

FINANCIAL ASSETS				
<i>figures in €/000</i>				
Type of transaction/values	31/12/2025	31/12/2024	Absolute absolute	% change
Debt securities	7G1.G52	867,857	-75.G05	-8.75%
a) Securities held for trading	66,736	86,043	-19,308	-22.44%
b) Securities designated at fair value	0	0	0	0.00%
c) Securities required to be measured at fair value	2,316	3,426	-1,109	-32.38%
d) Securities measured at fair value through other comprehensive income	69,664	158,765	-89,101	-56.12%
e) Securities measured at amortised cost	653,236	619,623	33,613	5.42%
- Banks	0	2,737	-2,737	-100.00%
- Customers	653,236	616,886	36,350	5.89%
Equity securities and units in collective investment schemes	54,600	56.3G8	-1.7G7	-3.1G%
a) Securities held for trading	7,024	5,591	1,433	25.63%
b) Securities designated at fair value	0	0	0	0.00%
c) Securities required to be measured at fair value	35,379	36,402	-1,023	-2.81%
d) Securities measured at fair value through other comprehensive income	12,198	14,405	-2,207	-15.32%
Derivative instruments	484	422	62	14.6G%
a) Financial derivatives held for trading	484	422	62	14.69%
b) Financial derivatives held for trading	0	0	0	0.00%
Other assets	3.11G	6,238	-3.11G	-50.00%
a) Other assets held for trading	3,119	6,238	-3,119	-50.00%
Total financial assets	850,155	G30.G14	-80.75G	-8.68%

Loans – Loans and advances to customers

The item **‘Loans – Loans and advances to customers’** comprises loans measured at amortised cost held with retail customers.

As at 31 December 2025, loans to customers stood at €2,814 million, essentially unchanged from the figure recorded as at 31 December 2024.

LOANS: B) LOANS TO CUSTOMERS				
<i>figures in €/000</i>				
Type of transaction/amounts	31/12/2025	31/12/2024	Absolute change	Percentage change
1. Current accounts	681,159	684,568	-3,409	-0.50%
2. Mortgages and loans	1,770,868	1,698,148	72,720	4.28%
3. Portfolio	8,251	7,655	597	7.80%
4. Securitised mortgages	50,051	83,025	-32,974	-39.72%
5. Self-securitised mortgages	250,083	292,677	-42,594	-14.55%
6. Other loans	57,176	40,637	16,539	40.70%
7. Gross non-performing loans	100,854	85,037	15,817	18.60%
8. Write-downs on non-performing loans	-67,973	-50,533	-17,441	34.51%
9. Total write-downs	0	0	0	-
17. UTP adjustments	-37,481	-37,538	57	-0.15%
18. PD adjustments	-2,133	-2,369	235	-9.94%
19. Stage 2 non-performing loan adjustments	-12,621	-8,802	-3,819	43.38
20. Stage 1 adjustments for performing loans	-7,342	-7,555	214	-2.83%
Total net economic loans to retail customers	2.7G0.8G2	2,784.G4G	5.G43	0.21%
10. Receivables from Pontormo RMBS	7,526	7,959	-433	-5.43%
11. Receivables from Pontormo SME	11,210	10,588		
12. Receivables from Poste	265	266	0	-0.09%
13. Receivables from C.C. C G.	4,603	6,427	-1,823	-28.37%
14. Receivables from C.D.P.	0	0	0	-
16. Receivables from C.C.C G. for repurchase agreements	0	0	0	-
Total net other economic assets	23,605	25,23G	-1,634	-6.48%
Total loans to customers	2,814.4G6	2,810,188	4,308	0.15%

Quality of loans

The tables below set out data relating to loans to customers, broken down by category, showing for each category the gross value, total write-downs, net value and coverage ratio.

LOAN QUALITY AS AT 31/12/2025				
	Exposure gross	Total Total	Net Net	Degree of coverage
CASH LOAN EXPOSURES				
Stage 3 – Loans to customers – Non-performing loans	100,854	67,973	32,880	67.40%
Stage 3 – Loans to customers – UTP	108,780	37,481	71,299	34.46%
Stage 3 – Loans to customers – Past due	14,978	2,133	12,844	14.24%
Total impaired loans	224,611	107,587	117,024	47.G0%
Stage 2 – Loans to customers	327,915	12,621	315,295	3.85%
Stage 1 – Loans to customers	2,389,519	7,342	2,382,178	0.31%
Total performing loans	2,717,434	1G.G62	2,6G7,472	0.73%
Total loans to customers	2,G42,046	127.54G	2,814.4G6	4.34%
Total cash credit exposures	2.G42.046	127.54G	2,814.4G6	4.34%

Bank Cambiano 1884 S.p.A.’s impaired loans to customers measured at amortised cost amount to a gross value of €224.61 million, to which specific value adjustments of €107.59 million are associated, resulting in a net value of €117.02 million.

The coverage ratio for impaired loans to customers measured at amortised cost as at 31 December 2025 stands at 47.90%. In particular, the aforementioned impaired loans, classified in accordance with the provisions of International Financial Reporting Standard (IFRS) 9 ‘Financial Instruments’, in the so-called ‘stage 3’, include non-performing loans with a net value of €32.88 million, with a coverage ratio of 67.40 per cent, and loans with probable defaults with a net value of €71.30 million, with a coverage ratio of 34.46 per cent.

Banca Cambiano 1884 S.p.A.’s non-impaired loans to customers, measured at amortised cost, amount to a gross value of €2,717.43 million, to which are associated portfolio adjustments of €

19.96 million, resulting in a net value of €2,697.47 million, representing a coverage ratio of 0.73%. Among these, loans to customers for non-impaired loans at higher risk, classified in the so-called “second stage”, amount to €327.91 million gross, with a coverage ratio of 3.85%.

With regard to credit quality, the table below sets out data on loans to customers broken down by category, showing for each category the gross value, total impairment charges, net value and coverage ratio, as well as a series of indicators designed to provide a summary overview of credit quality:

CREDIT QUALITY INDICATORS			
	31/12/2025	31/12/2024	Change
% OF NET LOANS			
% of net non-performing loans as a proportion of total net loans	1.17%	1.23%	-0.06%
% of net probable defaults as a proportion of total net loans	2.53%	2.44%	0.09%
% of net past due loans as a proportion of total net loans	0.46%	0.45%	0.00%
% of total net impaired loans as a proportion of total net loans	4.16%	4.12%	0.03%
% OF GROSS LOANS			
% of gross non-performing loans as a proportion of total gross loans	3.43%	2.92%	0.51%
% of gross probable defaults as a proportion of total gross loans	3.70%	3.64%	0.06%
% of gross past-due loans as a proportion of total gross loans	0.51%	0.52%	-0.01%
% of total gross impaired loans as a proportion of total gross loans	7.63%	7.07%	0.56%
COVERAGE RATIO			
Coverage ratio for non-performing loans	67.40%	59.42%	7.97%
Coverage ratio for other impaired loans	32.01%	32.90%	-0.89%
Coverage ratio for total impaired loans	47.90%	43.83%	4.07%
Coverage ratio for performing loans	0.73%	0.60%	0.13%
Coverage ratio for performing loans – Stage 2	3.85%	3.05%	0.70%
Coverage ratio for performing loans – Stage 1	0.31%	0.31%	0.00%
Texas ratio			
	57.67%	55.70%	

Equity investments

The item ‘Equity investments’ comprises shares in respect of which the Bank exercises control, joint control or significant influence. The equity investments held by the Bank consist of the subsidiaries Cambiano Leasing SpA, Immobiliare 1884 Srl and C.H. S.p.A.

The Bank’s shareholding structure as at 31 December 2025 is set out in the table below:

EQUITY INVESTMENTS						
figures in €/000						
Company names	31/12/2025		31/12/2024		Changes	Changes %
	% of total held	Balance sheet balance sheet	% of total held	Balance sheet balance sheet		
1. Cambiano Leasing S.p.A.	95.00%	18,739	95.00%	18,739	0	0.00%
2. Immobiliare 1884 s.r.l.	100.00%	13,500	100.00%	13,500	0	0.00%
3. C. H. S.p.A.	49.60%	15,068	49.60%	14,818	251	1.69%
4. Cabel Industry S.p.A.				1,558	-1,558	-100.00%
Totals		47,308		48,615	-1,307	-2.66%

During September, the sale of Banca Cambiano’s stake in Cabel Industry SpA – 540,000 shares, representing 8.04% – was completed - through a complex transaction which initially involved the Bank acquiring the shares in Cabel Industry held by the company’s minority shareholders – 2,145,714 shares, representing 31.96% - before subsequently selling to QUID, the majority shareholder, the entire stake held in Cabel Industry, in addition to that acquired from the other minority shareholders, at a unit price of €3.23 per share, realising a total profit of €957,329.67. As at 31 December 2025, the company no longer forms part of the Group’s scope of consolidation.

Intangible assets

The item '**Intangible fixed assets**' includes the intangible asset recognised as a contra-entry to the goodwill arising from the fair value measurement, in accordance with IFRS 3, of the assets and liabilities of the BCC for Web business unit acquired in the 2023 financial year, totalling €191 thousand as at 31 December 2025.

Total deposits

The table below provides a breakdown of total deposits from retail customers as at 31 December 2025, compared with the figures for 31 December 2024.

ECONOMIC DEPOSITS				
<i>figures in €/000</i>				
Description	31/12/2025	31/12/2024	Change	% change
Amounts owed to customers	3,574,294	3,613,921	-39,627	-1.10%
Securities in issue	85,560	115,782	-30,222	-26.10%
Total direct deposits	3,659,853	3,729,703	-69,849	-1.87%
Indirect – Managed	1,173,106	1,047,055	126,051	12.04%
Indirect – Funds	157,632	129,354	28,277	21.86%
Indirect – GPM (1)	170,453	124,700	45,753	36.69%
Indirect – Insurance sector	398,286	385,219	13,067	3.39%
Indirect premiums	1,899,477	1,686,328	213,148	12.64%
Total deposits	5,559,330	5,416,031	143,299	2.65%

Type of transactions/values	31/12/2025	31/12/2024	Change	Percentage change
1. Current accounts	2,690,341	2,715,495	-25,154	-0.93%
2. Deposits	29,876	31,752	-1,876	-5.91%
3. Time deposits	830,135	850,799	-20,664	-2.43%
4. Liabilities arising from assets disposed of	0	0	0	0.00%
5. P.C.T. with retail customers	8,056	0	8,056	0.00%
6. Certificates of deposit	0	0	0	0.00%
7. Bonds	85,560	115,782	-30,222	-26.10%
8. Lease liabilities	15,886	15,874	12	0.07%
9. Other payables	0	0	0	0.00%
Total Direct Deposits	3,659,853	3,729,703	-69,849	-1.87%

(1) The GPM figure does not include cash held in suspense current accounts awaiting investment, amounting to €23.3 million as at 31 December 2025, an increase compared with the figure recorded as at 31 December 2024 of €4.1 million. Taking liquidity into account, GPMs stood at €193.7 million as at 31 December 2025, an increase of €64.9 million (+50.43 per cent) compared with the figure recorded as at 31 December 2024.

Total assets under management (direct, administered, managed and insurance) stood at € 5,559 million, up from the figure as at 31 December 2024 by €143 million (+2.65%).

In particular, the item 'Liabilities to customers' fell by €69.8 million (-1.87%) during the period, due to a reduction in time deposits (-2.43%), current accounts (-0.63%) and securities in circulation (-26.10%) as a result of the redemption of bonds maturing during the reference period.

Indirect funding, on the other hand, recorded an increase of €213.1 million (+12.64%) during the period, attributable to growth across the various components.

Funds raised from banks

The table below provides a breakdown of total funding from banks and institutional counterparties as at 31 December 2025, compared with the figures for 31 December 2024.

FINANCIAL DEPOSITS				
<i>figures in €/000</i>				
Description	31/12/2025	31/12/2024	Change	% change
Amounts owed to banks	178,050	71,858	106,192	147.78%
Liabilities to institutional counterparties	33,182	195,774	-162,592	-83.05%
Total funding	211,232	267,631	-56,400	-21.07%

Type of transactions/values	31/12/2025	31/12/2024	Change	Percentage change

FINANCIAL INFLOWS				
<i>figures in €/000</i>				
Description	31/12/2025	31/12/2024	Change	% change
1. Transactions with the Eurosystem	0	0	0	0.00%
Amounts owed to central banks	0	0	0	0.00%
2. Current accounts	58,249	64,250	-6,001	-9.34%
3. Deposits	8,511	0	8,511	0.00%
4. Gold loans from banks	11,129	7,607	3,522	46.30%
5. Mortgage liabilities	0	0	0	0.00%
6. P.C.T. with banks	100,161	0	100,161	0.00%
Amounts owed to other banks	178,050	71,858	106.1G2	147.78%
Total liabilities to banks	178,050	71,858	106.1G2	147.78%
7. Other P.C.T.	0	128,924	-128,924	-100.00%
8. Loans taken out from C.D.P.	0	0	0	0.00%
9. Liabilities arising from assets disposed of	33,182	66,849	-33,668	-50.36%
Total liabilities to institutional counterparties	33,182	1G5,774	-162.5G2	-83.05%
Total funding	211,232	267,631	-56,400	-21.07%

Funding stood at €248 million as at 31 December 2025, representing a reduction of €58.8 million (-19.17%) compared with 31 December 2024, resulting from a decrease in liabilities owed to institutional counterparties of €162.6 million (-83.05%) as a result of the repayment of the maturing portion of liabilities acquired in connection with the securitisation transaction completed in September 2023, amounting to €33.7 million, and reverse repurchase agreements entered into with C.C.G. totalling €128.9 million. This reduction was partially offset by an increase in liabilities owed to banks totalling €103.8 million (+93.99%), resulting from reverse repurchase agreements entered into with banking counterparties.

Net interbank position

NET INTERBANK POSITION				
LOANS TO BANKS				
<i>figures in €/000</i>				
Type of transaction/amounts	31/12/2025	31/12/2024	Change	% change
1. Current accounts and demand deposits with central banks	57,000	78,000	-21,000	-26.92%
2. Reserve requirement	23,199	28,094	-4,895	-17.42%
Claims on central banks	80.1GG	106.0G4	-25.8G5	-24.41%
3. Current accounts and demand deposits with banks	64,540	37,870	26,671	70.43%
4. Term deposits	53,082	50,098	2,983	5.95%
5. Repurchase agreements	0	70,107	-70,107	-100.00%
6. Other loans	0	0	0	0.00%
Loans to other banks	117,622	158,075	-40,453	-25.5G%
Total receivables (A)	1G7,821	264.16G	-66,348	-25.12%

LIABILITIES TO BANKS				
<i>figures in €/000</i>				
Type of transaction/amounts	31/12/2025	31/12/2024	Change	% change
1. Transactions with the Eurosystem	0	0	0	0.00%
Amounts owed to central banks	0	0	0	0.00%
2. Current accounts	58,249	64,250	-6,001	-9.34%
3. Deposits	8,511	0	8,511	0.00%
4. Gold loans from banks	11,129	7,607	3,522	46.30%
5. Mortgage liabilities	0	0	0	0.00%

LOANS FROM BANKS				
<i>figures in €/000</i>				
Type of transactions/amounts	31/12/2025	31/12/2024	Change	% change
6. Repurchase agreements with banks	100,161	0	100,161	0.00%
Amounts owed to other banks	178,050	71,858	106.1G2	147.78%
Total liabilities (B)	178,050	71,858	106.1G2	147.78%
Net balance of receivables and payables (A) – (B)	1G,771	1G2,312	-172,541	-8G.72%
Net position with central banks	80.1GG	106.0G4	-25.8G5	-24.41%
Interbank balance with other banks	-60,428	86,217	-146,645	-170.0G%

The net interbank position as at 31 December 2025 was positive at €19.8 million, representing a decrease of -€172.5 million (-89.72%) compared with the figure recorded as at 31 December 2024. The change during the period is attributable to the reduction in loans to banks and the raising of reverse repurchase agreements with banks.

Book equity

As at 31 December 2025, book equity stood at €287.3 million, an increase compared with the figure of €285.1 million as at 31 December 2024, as shown in the table below. The change is attributable to the increase in fair value recorded on securities allocated to the HTCS portfolio amounting to €1.8 million, net of tax, and to the increase in reserves of €7.5 million resulting from the capitalisation of the previous year's profit – net of the dividend distributed – and the reduction in the reserve established pursuant to Decree-Law

No. 104 of 10 August 2023, following the decision to avail of the option provided for in the Budget Law to release that reserve by paying an extraordinary contribution amounting to 27.50% of the reserve, totalling €3.3 million.

COMPOSITION OF STATUTORY EQUITY				
<i>figures in €/000</i>	31/12/2025	31/12/2024	Change	% Change
Capital	252,800	252,800	0	0.00%
Share premium	803	803	0	0.00%
Equity instruments	40,000	40,000	0	0.00%
Reserves	-13,997	-21,482	7,485	-34.84%
(Treasury shares)	0	0	0	0.00%
Revaluation reserves	694	-1,064	1,758	-165.23%
Profit (Loss) for the year	7,030	14,005	-6,975	-49.80%
Total statutory equity	287,331	285,062	2.26G	0.80%

Profit performance

The 2025 financial year closed with a net profit of €7,030 thousand.

The key financial aggregates as at 31 December 2025, compared with the corresponding figures as at 31 December 2024, are set out below in thousands of euros.

The results are presented in a reclassified format in accordance with the accounting formats set out in Circular 262/2005 and subsequent updates issued by the Bank of Italy (1). The main reclassifications relate to the following items:

- the item "Commission expense" has been reduced by the commissions recovered from customers and allocated to item 200 "Other operating expenses/income";
- the item "Net financial result" includes items 80, 90, 100 and 110 of the accounting format, net of the gains and losses relating to the disposal of loans reclassified under the item "Net value adjustments on loans to customers";
- the item "Other net operating income/expenses" has been reduced by the recovery of commissions and expenses – which have been deducted from the relevant cost items – by expenses relating to legal proceedings covered by pre-existing provisions, and by the goodwill arising in 2023 from the PPA process, which has been allocated to a separate item;
- the item "Staff costs" has been reduced by the recoveries of staff-related expenses allocated to item 200 "Other operating income/expenses";
- the item "Other administrative expenses" has been presented net of the following components:

- recoveries of indirect taxes and other costs, allocated to item 200 “Other operating expenses and income” in the financial statements;
- contributions to the SRF, FITD and Life Insurance Guarantee Fund, reclassified under the specific item “Expenses relating to the banking system”;

The item, net of the reclassifications set out above, provides a better representation of the trends in the bank’s operating costs.

- The item “Impairment losses on tangible and intangible assets” has been reduced by the amortisation of intangible assets recognised following the PPA of the acquired business unit, which has been reclassified to the item “Goodwill impairment / Amortisation of intangible assets (PPA)”;
- The item “Net impairment losses on loans to customers” includes items 130(a) and 140 of the financial statements and the gains and losses arising from the disposal of receivables as specified above;
- the item “Net provisions for risks and charges” has been reduced by the costs of legal proceedings covered by provisions set aside in previous financial years, allocated to item 200 “Other operating income and expenses” in the financial statements;
- the item “Expenses relating to the banking system” includes contributions paid to the FITD (Interbank Deposit Protection Fund) and to the Life Insurance Guarantee Fund, reclassified under item 160 b “Other administrative expenses”;
- the PPA item reflects the effects arising from the PPA (Purchase Price Allocation) process relating to the acquisition of BCC for Web, completed during the 2023 financial year, and allocated to item 200 “Other operating income and expenses” in the financial statements.

Reclassified Profit and Loss Account

Income Statement Items	31/12/2025	31/12/2024	Changes Amounts	Changes %
Interest income and similar income	137,172	173,288	-36,116	-20.84%
Interest expense and similar charges	-62,036	-94,114	32,078	-34.08%
Net interest income	75,136	79,175	-4,038	-5.10%
Dividends and similar income	909	544	365	67.13%
Net interest income	76,045	79,719	-3,673	-4.61%
Commission income	37,533	36,524	1,009	2.76%
Commission expense	-6,687	-5,590	-1,097	19.62%
Net commission income	30,846	30,934	-88	-0.28%
Net financial result	11,865	7,619	4,247	55.74%
Other net operating income/expenses	453	-11	464	-4360.32%
Other operating income	43,164	38,542	4,622	11.99%
Operating income	119,210	118,260	949	0.80%
Staff costs	-36,070	-34,583	-1,488	4.30%
Other administrative expenses	-33,752	-30,948	-2,804	9.06%
Net write-downs/write-backs on tangible and intangible assets	-6,714	-7,175	460	-6.41%
Operating expenses	-76,536	-72,705	-3,831	5.27%
Operating profit	42,673	45,555	-2,882	-6.33%
Net impairment losses on loans to customers	-33,368	-26,791	-6,577	24.55%
Net impairment losses on securities and other financial assets	29	284	-255	-89.87%
Net provisions for risks and charges: guarantees and commitments	-391	-286	-106	36.93%
Net credit risk impairment charges	-33,731	-26,793	-6,938	25.89%
Net provisions for risks and charges: other	-541	1,826	-2,367	-129.64%
Gains (Losses) on equity investments	767	442	325	73.46%
Gains (Losses) on disposal of investments	-1	-234	233	-99.57%
Charges relating to the banking system (contributions to the DGS and FITD)	-348	-3,971	3,623	-91.24%
Gross profit from ordinary operations	8,820	16,826	-8,006	-47.58%
Income tax for the year on current operations	-1,326	-2,355	1,030	-43.71%
Net profit from current operations	7,494	14,470	-6,976	-48.21%
PPA	0	0	0	0.00%
Impairment Goodwill / Amortisation intangible	-464	-465	1	-0.27%
intangible				

Income Statement Items	31 December 2025	31/12/2024	Changes Amounts	Changes %
Profit (Loss) from discontinued operations, net of tax	0	0	0	0.00%
Profit (Loss) for the year	7,030	14,005	-6,975	-49.80%

(1) For further details on how the reclassified financial statements are presented, please refer to the appendix "Reconciliation between the financial statements and the reclassified financial statements"

Net interest income amounted to €75.14 million, a decrease of €4 million (-5.10%) compared with the figure as at 31 December 2024.

Within the aggregate, the component relating to retail banking showed a 16.31% reduction compared with 2024, mainly due to the decline in interest income from customer accounts, following the ECB's rate cuts, which had a greater impact on lending than on deposits. The component relating to wholesale banking also fell, by € -2.7 million compared with the figure recorded as at 31 December 2024, due to the reduction in interest income received on liquidity deposited with the Bank of Italy, which was greater than the reduction in interest paid on customer deposits, with particular reference to TLTRO III operations, which were fully repaid during 2024, and to the cost of repurchase agreements entered into with banking counterparties.

There was a significant increase in the portion relating to securities, due to the rise in interest received on financial assets in the form of securities and the reduction in the cost of bonds issued by the Bank itself.

The portion attributable to other financial assets and liabilities increased as a result of the reduction in interest paid on liabilities issued in respect of assets sold but not derecognised.

That said, the table below provides a breakdown of net interest income.

	INTEREST MARGIN				
	<i>figures in €/000</i>	31/12/2025	31/12/2024	Absolute change	Percentage change
TOTAL	Interest income and similar income	137,172	173,288	-36,116	-20.84%
	Interest expense and similar charges	-62,036	-94,114	32,078	-34.08%
	Net interest income	75,136	79,175	-4,038	-5.10%
with CUSTOMERS	Interest income and similar income	110,877	141,671	-30,794	-21.74%
	Interest expense and similar charges	-51,155	-70,312	19,158	-27.25%
	Net interest income from customers	59,723	71,359	-11,636	-16.31%
with BANKS	Interest income and similar income	4,278	15,994	-11,716	-73.25%
	Interest expense and similar charges	-3,471	-12,486	9,016	-72.20%
	<i>of which: interest on TLTRO III</i>	0	-11,860	11,860	-100.00%
	Interest margin with the banking system	808	3,508	-2,701	-76.97%
on SECURITIES	Interest income and similar income	16,477	10,081	6,396	63.44%
	Interest expense and similar charges	-5,157	-6,782	1,625	-23.97%
	Interest margin on securities	11,321	3,299	8,022	243.13%
OTHER	Interest income and similar income	5,539	5,541	-2	-0.03%
	Interest expense and similar charges	-2,254	-4,533	2,279	-50.27%
	Residual interest margin	3,285	1,008	2,277	225.90%

Net fees amounted to €30.8 million, remaining broadly stable compared with the figure recorded as at 31 December 2024. In particular, fees received from collection and payment services have increased, particularly in the electronic payments sector, whilst fees relating to the distribution of third-party services – particularly consumer credit – and fees relating to financial services have fallen; fees on other services remained broadly stable.

	NET FEES				
	<i>figures in €/000</i>	31/12/2025	31/12/2024	Change Absolute	Change %
TOTAL	Commission income	37,533	36,524	1,009	2.76%
	Commission expense	-6,687	-5,590	-1,097	19.62%

	NET FEES				
	<i>figures in €/000</i>	31/12/2025	31/12/2024	Change absolute	Change %
	Net commissions	30,846	30.634	-88	-0.28%
from management, brokerage and advisory services	Commission income	6,130	5,145	986	19.16%
	Commission expense	-3,360	-2,144	-1,216	56.73%
	Net commission income	2,770	3,001	-231	-7.68%
from the distribution of third- party services	Commission income	4,187	4,698	-511	-10.87%
	Net commission income	4,187	4,668	-511	-10.87%
from payment services	Commission income	22,586	22,016	570	2.59%
	Commission expense	-1,981	-1,987	6	-0.30%
	Net fees	20,605	20,026	576	2.88%
from other services	Commission income	4,630	4,666	-36	-0.77%
	<i>of which: lending transactions and guarantees issued</i>	<i>1,724</i>	<i>1.675</i>	<i>45</i>	<i>2.51%</i>
	Commission expense	-1,346	-1,460	113	-7.75%
	Net fees	3,283	3,206	77	2.41%

Operating income stood at €119.2 million as at 31 December 2025, broadly in line with the figure recorded as at 31 December 2024.

OPERATING INCOME				
<i>figures in €/000</i>	31/12/2025	31/12/2024	Change	Percentage change
Interest margin	75,136	79,175	-4,038	-5.10%
Dividends and similar income	909	544	365	67.13%
Net interest income	76,045	79,719	-3,673	-4.61%
Total net commission income	30,846	30,934	-88	-0.28%
Net financial result	11,865	7,619	4,247	55.74%
Other net operating income/expenses	453	-11	464	-4360.32%
Operating income	119,210	118,260	949	0.80%

As can be seen from the table, the trend in operating income is attributable to the increase in net profits from financial instrument brokerage activities by the Finance division, amounting to €4.2 million, and in other net operating income, amounting to €0.5 million; these increases were offset by the reduction in net interest income, as previously detailed.

In particular, the increase in net profits from financial instrument brokerage activities, totalling €4.2 million, is attributable to the rise in the value of financial assets mandatorily measured at fair value, amounting to a total of €6 million. This result was partially offset by a reduction in the net result from trading activities totalling -€1.9 million, resulting from the reduction in gains on the disposal of tax credits acquired from customers (-€2.5 million) and foreign exchange gains (-€1 million), partially offset by an increase in gains realised on the trading of securities amounting to €1.6 million. Gains on the disposal of securities remained broadly stable, as the increase in gains realised on the disposal of securities measured at amortised cost was offset by the reduction in securities measured at fair value through other comprehensive income (OCI).

NET FINANCIAL RESULT				
<i>figures in €/000</i>	31/12/2025	31/12/2024	Change	% change
NET FINANCIAL RESULT	11,865	7,619	4,247	55.74%

NET FINANCIAL RESULT				
<i>figures in €/000</i>	31/12/2025	31/12/2024	Change	% change
Net trading profit	7,555	9,499	-1,944	-20.47%
a) Currencies	2,463	3,461	-999	-28.85%
b) Financial assets at fair value through profit or loss (trading)	4,680	3,095	1,585	51.21%
c) Other financial assets (tax credits)	412	2,943	-2,531	-85.98%
Net result from hedging activities	0	0	0	0.00%
Valuation gain/loss – Hedging derivatives	0	0	0	0.00%
Gains (losses) on disposal or repurchase of:	2,152	2,260	-108	-4.76%
a) Financial assets measured at fair value through other comprehensive income	498	965	-468	-48.46%
b) Financial assets measured at amortised cost	1,642	1,274	367	28.84%
c) Financial liabilities	13	20	-7	-35.85%
Net profit Financial assets and liabilities measured at fair value with impact on profit or loss	2,158	-4,141	6,299	-152.11%
Financial assets mandatorily measured at fair value	2,158	-4,141	6,299	-152.11%
<i>of which: FIA funds</i>	<i>1,913</i>	<i>-4,596</i>	<i>6,509</i>	<i>-141.63%</i>
<i>of which: other securities</i>	<i>244</i>	<i>455</i>	<i>-211</i>	<i>-46.29%</i>

With regard to the item ‘Other operating income and expenses’, the increase compared with the figure recorded at 31 December 2024 (€464 thousand) is attributable to a decrease in ‘Other expenses’ of €136 thousand and an increase in ‘Other income’ of €328 thousand.

OTHER OPERATING INCOME AND EXPENSES					
	<i>figures in €/000</i>	31/12/2025	31/12/2024	Change	% change
TOTAL	Other operating income	829	501	328	65.44%
	Other operating expenses	-376	-512	136	-26.48%
	Total	453	-11	464	-4,360.32%

Other income	Extraordinary income	28	52	-24	-46.04%
	Other income	801	449	352	78.29%
	<i>of which: services to the Parent Company and/or subsidiaries</i>	<i>277</i>	<i>277</i>	<i>0</i>	<i>0.00%</i>
	Other income	829	501	328	65.44%

Other expenses	Depreciation of third-party assets	-230	-229	-1	0.44%
	Costs relating to legal proceedings not covered by provisions	-42	-7	-35	464.88%
	Extraordinary losses	-96	-247	151	-61.10%
	Other expenses	-8	-28	20	-70.58%
	Other expenses	-376	-512	136	-26.48%

Operating costs stood at €76.5 million as at 31 December 2025, an increase of €3.8 million (+5.27%) compared with the figure recorded as at 31 December 2024, as shown in the table below.

OPERATING COSTS				
<i>figures in €/000</i>	31/12/2025	31/12/2024	Change	% change
Administrative expenses:	-69,822	-65,531	-4,291	6.55%
a) staff costs	-36,070	-34,583	-1,488	4.30%
b) other administrative expenses	-33,752	-30,948	-2,804	9.06%
Net write-downs/write-backs on tangible and intangible assets	-6,714	-7,175	460	-6.41%
Operating costs	-76,536	-72,705	-3,831	5.27%

In particular, staff costs increased by -€1.5 million due to costs associated with the renewal of the sector-wide collective agreement in the second half of 2023 and costs associated with the early retirement scheme, whilst other administrative expenses, net of expected recoveries, recorded a net increase of -€2.8 million, attributable mainly to:

- an increase in advertising and entertainment expenses (+€0.3 million);
- an increase in charitable donations made during the current financial year (+0.5 million)

- an increase in costs incurred for consultancy services and fees paid to professionals (+0.6 million);
- an increase in the bank's share of tax liability (+0.7 million);

Impairment losses on tangible and intangible fixed assets decreased.

Profit before tax from ordinary operations decreased compared with the figure recorded at 31 December 2024, standing at

€8.8 million, a decrease of -€8 million.

This reduction is due to the increase in net impairment losses on loans to customers, which rose by €6.6 million compared with those recorded as at 31 December 2024.

In particular, with regard to the increase in net value adjustments of €7.4 million, the Bank has, since November 2025, made changes to the IFRS 9 model, resulting in an impact on collectively impaired loans of €0.6 million for performing loans and €1.3 million for impaired loans classified as UTP and PD. Furthermore, with a view to gradually aligning coverage ratios with industry averages, as suggested by the Supervisory Authority, the rules for the classification and valuation of the loan portfolio have been updated for positions classified as 'probable default' subject to analytical assessment and for positions classified as 'non-performing'.

GROSS PROFIT FROM OPERATING ACTIVITIES				
figures in €/000	31/12/2025	31/12/2024	Change	% change
Operating income	119,210	118,260	949	0.80%
Operating expenses	-76,536	-72,705	-3,831	5.27%
Operating profit	42,673	45,555	-2,882	-6.33%
Net impairment losses on loans to customers	-33,368	-26,791	-6,577	24.55%
<i>of which: gains/losses on disposal</i>	58	-569	627	-110.14%
<i>of which: net value adjustments</i>	-33,252	-25,827	-7,424	28.75%
<i>of which: gains/losses arising from contractual amendments</i>	-174	-395	220	-55.79%
Net value adjustments on securities and other financial assets	29	284	-255	-89.87%
Net provisions for risks and charges: guarantees and commitments	-391	-286	-106	36.93%
Net credit impairment losses	-33,731	-26,793	-6,938	25.89%
Net provisions for risks and charges: other	-541	1,826	-2,367	-129.64%
Gains (Losses) on equity investments	767	442	325	73.46%
Gains (Losses) on disposal of investments	-1	-234	233	-99.57%
Charges relating to the banking system (contributions to the DGS and FITD funds)	-348	-3,971	3,623	-91.24%
Gross profit from ordinary operations	8,820	16,826	-8,006	-47.58%

Net impairment losses on loans to customers show an increase compared with those recorded at 31 December 2024, totalling -€6,577 thousand, as the rise in valuation-related impairment losses described above was partially offset by a reduction in losses arising from contractual amendments and by the recognition of gains on positions sold in previous financial years. Net provisions for risks on guarantees and commitments increased.

Other comprehensive income as at 31 December 2025 showed an overall increase of €1.8 million due to:

- net provisions for risks and charges of -€0.5 million, representing a decrease of €2.4 million compared with the figure reported as at 31 December 2024, resulting from reversals of impairment losses recorded following favourable outcomes in legal proceedings;
- an increase in gains arising from the disposal of property of €0.2 million
- a reduction in charges relating to the banking system of €3.6 million. In particular, for the Interbank Deposit Protection Fund (FITD), the contribution period had ended in the 2024 financial year following the reaching of the ceiling set by the Fund itself; the Fund's Board determined the amount of the contribution due from the banks for 2025, with the Bank being charged its share

share, amounting to €309 thousand. During 2025, a contribution payable to the Life Insurance Guarantee Fund was introduced – to be borne by companies and insurance intermediaries – amounting, for the current financial year, to €39 thousand

GROSS AND NET PROFIT FOR THE YEAR				
figures in €/000	31/12/2025	31/12/2024	Change	% change
Gross profit from ordinary operations	8,820	16,826	-8,006	-47.58%
Income tax for the year on current operations	-1,326	-2,355	1,030	-43.71%
Net profit from current operations	7.4G4	14,470	-6.G76	-48.21%
PPA	0	0	0	0.00%
Goodwill impairment / Amortisation of intangible assets	-464	-465	1	-0.27%
Profit (Loss) from discontinued operations, net of tax	0	0	0	0.00%
Profit (Loss) for the year	7,030	14,005	-6.G75	-4G.80%

The profit for the year has been adversely affected by the amortisation of the intangible asset recognised as a contra-entry to the badwill of €464 thousand, shown under the heading “Impairment of goodwill / Amortisation of intangible assets recognised in accordance with IFRS 3 (PPA)”.

Capital adequacy and regulatory ratios

One of the key elements 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 capital is crucial to supporting responsible growth in scale and serves as the primary and decisive benchmark for defining development plans. In this regard, since 2019, the Bank has formalised and adopted a Capital Management Plan to ensure systematic governance in terms of the constant monitoring of current and prospective capital adequacy levels. The Plan was last updated at the Board of Directors’ meeting on 6 March 2026, in conjunction with the adoption of the 2026–2028 Business Plan. Management generates scheduled reports for senior management, and the matter is subject to systematic monitoring by the Risk Management function, as total own funds are also a key benchmark for prudential supervision.

The following table shows the final position of own funds as at 31 December 2025 (which includes the profit attributable as at 31 December 2025) compared with that as at 31 December 2024:

OWN FUNDS AND CAPITAL ADEQUACY AS AT 31/12/2025				
	31/12/2025	31/12/2024	Change absolute	Change %
Total Common Equity Tier 1 (CET1) capital	222,080	241,503	-19,423	-8.04%
Total Additional Tier 1 (AT1) capital	38,300	40,000	-1,700	-4.25%
Total Tier 1 (T1) capital	260,380	281,503	-21,123	-7.50%
Total Tier 2 Capital (T2)	49,570	56,537	-6,967	-12.32%
Total Own Funds (T1 + T2)	30G.G50	338,040	-28.0G0	-8.31%

REGULATORY CAPITAL REQUIREMENTS				
	31/12/2025	31/12/2024	Change absolute	Change %
Credit and Counterparty Risk	105,509	109,729	-4,220	-3.85%
Market risk	2,998	3,002	-4	-0.13%
Operational Risk	16,726	19,757	-3,031	-15.34%
Credit valuation adjustment risk	34	11	24	223.64%
Total prudential requirements (8% of risk-weighted assets)	125,267	132.4G8	-7,231	-5.46%

OWN FUNDS AND CAPITAL ADEQUACY AS AT 31/12/2025			
	31 December 2025	31/12/2024	Change %
Risk-weighted assets (RWA)	1,565,836	1,656,225	-5.46%
Common Equity Tier 1 capital / Risk-weighted assets (CET1 ratio)	14.18%	14.58%	-0.40%
Tier 1 capital / Risk-weighted assets (Tier 1 ratio)	16.63%	17.00%	-0.37%
Own funds / Risk-weighted assets (Total capital ratio)	19.79%	20.41%	-0.62%

Own funds as at 31 December 2025 amounted to €309.95 million, a decrease of €28.1 million compared with the previous financial year, essentially attributable 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 (+1.8 million), offset by the reduction in the effects arising from the application of the transitional regime on gains and losses on sovereign debt securities measured at FVOCI in place during the 2023 financial year (- €2.3 million);
- a reduction in the net profit for the period, net of adjustments, (- €6.4 million compared with the previous financial year);
- the increase in reserves, mainly due to the capitalisation of the profit for the 2024 financial year (+ €7.5 million);
- write-downs for insufficient coverage of impaired exposures (-€1.7 million);
- the reduction in the eligible capital component (-€18.6 million) and the related reduction in the eligible portion of the AT1 instruments issued in previous financial years (-€1.7 million), resulting from the supervisory authority's acceptance, during the on-site inspection, of the observations made in this regard
- the reduction in the eligible portion of T2 instruments issued in previous financial years (-€7 million).

The following tables show the bond issues included, even if only partially, in own funds:

Table of subordinated bonds

BOND NAME	ISIN	MATURITY_DATE	RATE	AMOUNT
Bond No. 483001 BANCA CAMB 19-21 4% SUB /PRO	IT0005371270	10 June 2029	4.00%	5,000,000
Bond No. 485001 BCA CAMBIANO 19-29 4% SUB /PRO	IT0005385668	25 September 2029	4.00%	2,000,000
Bond No. 488001 BCA CAMB 19-29 STEP SUB /PRO	IT0005391518	05/12/2029	5.25%	1,000,000
Bond No. 501001 CAMB 22-29 5% SUB	IT0005487118	15 March 2029	5.00%	2,000,000
Bond No. 503001 CAMB 22-30 3% SUB	IT0005495574	16 May 2030	3.02%	3,000,000
Bond No. 504001 CAMB 22-30 3.50% SUB	IT0005498859	29 June 2030	3.54%	3,000,000
Bond No. 505001 CAMB 22-30 5% SUB /PRO	IT0005509135	30/09/2030	5.03%	2,000,000
Bond No. 506001 CAMB 22-30 TV SUB /PRO	IT0005510059	30/09/2030	8.04%	3,000,000
Bond No. 507001 CAMB 22-30 7.50% SUB /PRO	IT0005514960	20 October 2030	7.58%	3,000,000
Bond No. 508001 CAMB 22-30 4% SUB	IT0005516395	28 October 2030	4.04%	700,000
Bond No. 509001 CAMB 22-30 5.50% SUB	IT0005516403	28 October 2030	5.56%	400,000
Bond No. 510001 CAMB 22-30 7% SUB	IT0005523391	7 December 2030	7.08%	2,800,000
Bond No. 511001 CAMB 22-30 7% SUB	IT0005527772	29 December 2030	7.08%	2,200,000
Bond No. 512001 CAMB 22-30 8% SUB /PRO	IT0005527780	29/12/2030	8.09%	5,000,000
Bond No. 513001 CAMB 23-31 7% SUB	IT0005534190	1 March 2031	7.04%	800,000
Bond No. 515001 CAMB 23-31 8% SUB /PRO	IT0005554495	29 June 2031	8.00%	2,000,000
Bond No. 516001 CAMB 23-31 8% SUB	IT0005558751	10 August 2031	8.00%	800,000
Bond No. 517001 CAMB 23-31 7% SUB /PRO	IT0005560534	4 September 2031	7.00%	4,500,000
Bond No. 518001 CAMB 23-31 8% SUB /PRO	IT0005560591	4 September 2031	8.00%	2,000,000
Bond No. 519001 CAMB 23-31 8% SUB /PRO	IT0005561268	20 September 2031	8.00%	500,000
Bond No. 520001 CAMB 23-31 5% SUB /PRO	IT0005561854	26 September 2031	5.00%	8,000,000
TOTAL				53,700,000

AT1 Perpetual Bonds Prospectus

BOND NAME	ISIN	RATE	AMOUNT
Bond No. 490001 BCA CAMB 20-PERP TV SUB /PRO	IT0005427023	7.88%	1,500,000
Bond No. 492001 CAMBIANO PERPETUAL AT1 492 /PRO	IT0005429375	8.02%	1,800,000
Bond No. 494001 CAMBIANO PERPETUAL AT1 494 /PRO	IT0005429755	7.77%	1,000,000
Bond No. 496001 CAMB PERPETUAL AT1 496 /PRO	IT0005431777	8.05%	500,000
Bond No. 497001 CAMBIANO PERPETUAL AT1 497 /PRO	IT0005432130	8.09%	3,500,000
Bond No. 498001 CAMB PERPETUAL AT1 498	IT0005439846	5.00%	5,000,000
Bond No. 499001 CAMBIANO PERPETUAL AT1 499	IT0005454076	5.00%	5,000,000
Bond No. 500001 CAMB PERPETUAL AT1 500	IT0005475055	5.00%	7,000,000
Bond No. 502001 BCA CAMB 22-PERP TV SUB /PRO	IT0005489601	5.00%	3,000,000
Bond No. 521001 CAMB 23-PERP TV SUB /PRO	IT0005566648	7.00%	10,000,000
TOTAL			38,300,000

The capital requirements in force as at 31 December 2025 were set out in letter ref. No. 03833085/25 dated 20 February 2025. The amount of capital that the Group must hold, in addition to the regulatory minimum, is determined as follows:

- Common Equity Tier 1 (CET 1) ratio: 8.30 per cent, comprising a mandatory component of 5.80 per cent (of which 4.50 per cent to meet the minimum regulatory requirements and 1.30 per cent to meet the additional requirements determined on the basis of the SREP results) and, for the remainder, the capital conservation buffer;
- Tier 1 capital ratio (T1 ratio): 10.20 per cent, comprising a binding component of 7.70 per cent (of which 6.00 per cent meets the minimum regulatory requirements and 1.70 per cent meets the additional requirements determined on the basis of the SREP results) and, for the remainder, the capital conservation buffer;
- Total capital ratio: 12.80%, comprising a mandatory component of 10.30% (of which 8.00% meets the minimum regulatory requirements and 2.30% meets the additional requirements determined on the basis of the SREP results) and, for the remainder, the capital conservation buffer.

The capital levels achieved by the Group as at 31 December 2025 already exceed those required.

Information on key risks and uncertainties and on going concern

The joint coordination committee comprising the Bank of Italy, CONSOB and ISVAP on the application of IAS/IFRS, in Document No. 2 of 6 February 2009 “Disclosures in financial reports on going concern, financial risks, impairment tests on assets and uncertainties in the use of estimates”, as well as the subsequent Document No. 4 of 4 March 2010, required the Directors to carry out particularly thorough assessments regarding the existence of the going concern assumption.

In this regard, paragraph 25 of the International Accounting Standard IAS 1 states that: “When preparing the financial statements, management must assess the entity’s ability to continue as a going concern. The entity shall prepare its financial statements on a going concern basis unless management intends to liquidate the entity or cease its operations, or has no realistic alternative to doing so.”

In order to provide evidence supporting the assumption of going concern, the Directors have taken into account the significant events that occurred in 2025 and in the first few months of 2026.

In particular, the Directors assessed:

- the findings, presented to the corporate bodies on 7 November 2025 by the Bank of Italy, of the inspections to which the Bank was subjected from 24 February to 13 June 2025, and the adoption of consequent measures and actions;
- the actions set out in the previously outlined remedial plans;

- the actions and their expected impacts set out in the 2026–2028 Plan, including in terms of compliance with the capital requirements set by the Bank of Italy.

With regard to the findings of the supervisory review, the Directors have in fact approved remedial plans which the Bank drew up in response to the supervisory findings and communicated to the Bank of Italy on 5 January 2026, subsequently updated on 6 March 2026 alongside the approval of a specific AML remedial plan.

At the meeting on 6 March 2026, the Directors approved the 2026–2028 Strategic Plan, which not only summarises the main strategic initiatives but also sets out the financial and capital targets for the Bank and the Group over the plan's timeframe; For a detailed examination of the plan's contents, please refer to the section 'Business Plan 2026–2028'.

At the same meeting, the Board of Directors approved the amount of the capital increase required to support the action plan and the investments needed to address the shortcomings identified by the supervisory inspections, as well as to revitalise the business and ensure that the control mechanisms and credit process are fully reliable.

In estimating the capital increase, consideration was given both to the impact of de-risking initiatives—designed to bring the NPL ratio back to the sector average—and to the aforementioned IT and HR investment plan for the period 2026–2028

As part of the forecasts, specific analyses were carried out to assess compliance with capital requirements over the plan's timeframe, including under the assumption of an unchanged capital structure and no changes to the scope of prudential consolidation, whilst taking into account possible positive effects arising from anticipated legislative and regulatory measures, with particular reference to the potential positive repercussions of the completion of the transposition of the CRD VI Directive into national law, as previously outlined.

It should be noted that on 20 February 2025, the Supervisory Authority issued the Provision containing the “new” capital decision, effective from the Supervisory Reports as at 31 March 2025, which was already discussed in the previous paragraph on the 2025 SREP.

The requirements set out by the Bank of Italy for the prudential consolidation including Ente Cambiano are:

- Common Equity Tier 1 (CET 1) ratio: 10.05 per cent, comprising an OCR CET1 ratio of 8.30 per cent and a Target Component (Pillar 2 Guidance, P2G), to account for higher risk exposure under stress conditions, amounting to 1.75 per cent;
- Tier 1 capital ratio: 11.95 per cent, comprising an OCR T1 ratio of 10.20 per cent and a Target Component, reflecting higher risk exposure under stress conditions, of 1.75 per cent;
- Total Capital Ratio: 14.55 per cent, comprising an OCR TC ratio of 12.80 per cent and a Target Component, reflecting greater risk exposure under stress conditions, of 1.75 per cent.

The capital adequacy ratios, based on the current capital structure and excluding the planned capital increases mentioned above, stand at a CET 1 ratio of 13.61 per cent, a Tier 1 ratio of 15.91 per cent and a TCR of 18.89 per cent, which is higher than the total capital ratio including the Target Component (Pillar 2 Guidance) set by the Bank of Italy, to which is added the systemic risk buffer (SyRB) coefficient, amounting to 0.846 per cent. The Bank's liquidity profile remains at consistently high levels, with indicators as at 31 December 2025 recording values above the regulatory minimums

The analyses carried out in the 2026–2028 plan have demonstrated compliance with the capital requirements to which the Bank must adhere across various scenario assumptions; in particular, analyses were carried out assuming a base-case scenario and an adverse scenario featuring reduced growth in assets, a reduction in credit guarantees, a deterioration in default rates, difficulties in increasing funding, and a deterioration in the outcome of NPL disposals.

Various combinations were also considered, excluding the positive effects of regulatory changes affecting the scope of consolidation, excluding the capital increase, and excluding both.

The assumptions made nevertheless lead to a positive outcome in terms of maintaining the currently projected CET1, Tier 1 and Total Capital Ratio thresholds.

The financial results for the 2025 financial year have already demonstrated the Group's operational capacity to generate income from its core business, even within an evolving economic environment, with significant measures taken in terms of loan impairment charges; the financial and balance sheet figures at the start of 2026 currently show positive signs,

consistent with the 2026 budget projections, confirming the sustainability of the objectives set out in the aforementioned “2026–2028 Business Plan”.

The Directors, whilst aware of the complexities involved in implementing some of the planned measures within the envisaged timeframe and in the manner envisaged, have concluded:

- in light of the results as at 31 December 2025 and the objectives achieved through initiatives already implemented during 2026; and
- - in light of the forecasts regarding the maintenance of capital requirements over the 2026–2028 Plan horizon, including under stress scenarios and disregarding the positive effects of the planned capital increase,

that there is a reasonable expectation that the Bank will continue to operate as a going concern for the foreseeable future, thereby confirming the appropriateness of applying the going concern assumption in the preparation of the financial statements for the 2025 financial year.

Proposed allocation of the profit for the financial year

The annual financial statements have been 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 Regulation No. 262 of 22 December 2005, as amended, and have been subject to a statutory audit by Deloitte C Touche S.p.A.

In its resolution on the allocation of profits, the Board unanimously decided to allocate the majority of the profit to reserves, continuing the course undertaken to strengthen the company’s capital base, whilst also continuing to distribute a modest dividend to shareholders.

Furthermore, as is well known, Article 26 of Decree-Law No. 104 of 10 August 2023 – converted, with amendments, by Law No. 136 of 9 October 2023 – had introduced an extraordinary tax payable by banks for the 2023 financial year, commensurate with the increase in net interest income between 2021 and 2023, with a maximum limit calculated on the basis of the total risk exposure on an individual basis as at the end of the 2022 financial year.

In this context, however, the Act had introduced the option, in lieu of paying the tax, to allocate, upon approval of the 2023 financial statements, an amount not less than 2.5 times the amount of the tax itself to a non-distributable reserve.

The Act also specified that, in the event of this reserve being used for the distribution of profits, the bank would have to pay the amount due for the tax, plus any interest accrued in the meantime, within 30 days of the approval of the relevant resolution authorising its use.

With regard to the extraordinary tax in question, amounting to €4,779,150, the Annual General Meeting held on 20 April 2024, upon approval of the financial statements for the 2023 financial year, resolved to adopt the proposal to allocate a portion of the profit for the year to the creation of a non-distributable reserve amounting to 2.5 times the extraordinary tax introduced by Article 26 of Decree-Law No. 104 of 10 August 2023 (an extraordinary tax calculated on the increase in net interest income), amounting to a total of €11,947,876.

The 2026 Budget Law (Law No. 199 of 30 December 2025) amended the rules governing the aforementioned extraordinary tax, introducing a legal presumption of priority distribution of the reserve in question in the event of the distribution of net profit for the financial year (including interim dividends) and/or reserves from 1 January 2029.

In order to avoid this effect, transitional provisions have been introduced, applicable until the financial year ending 31 December 2028, which allow the aforementioned reserve to be released by paying an extraordinary contribution amounting to 27.5 per cent of the reserve’s value as at 31 December 2025, if the option is exercised in 2026, or 33 per cent of the amount of the reserve existing as at 31 December 2026 or 31 December 2027, if the option is exercised in 2027 or 2028 respectively. From the financial year commencing on 1 January 2029, the distribution of profits or reserves in the absence of payment of the extraordinary contribution will result in the application of tax at a rate of 40 per cent on the ‘2023 Reserve’, as a consequence of the application of the aforementioned legal presumption.

The Board of Directors, at its meeting on 30 January 2026, confirmed its intention to exercise the option to release the reserve by paying the extraordinary contribution amounting to 27.5% of the balance of the reserve existing as at 31 December 2025, totalling €3,285,666, to be paid by 30 June 2026.

In accordance with the accounting treatment set out in the Notes to the Financial Statements, Part A ‘Accounting Policies’, the extraordinary contribution in question – amounting to €3,285,666 – has been recognised as a reduction in the equity reserve established in 2023 for €11,947,876, designated as the “Tax Deferral Reserve under Decree-Law 104 of 10 August 2023”.

Following the payment of the extraordinary contribution in June 2026 and its subsequent settlement as part of the tax return for the 2025 tax year, the reserve in question, amounting to a net sum of €8,662,210, will be released from any tax restrictions.

The proposal is deemed consistent with compliance with the prescribed capital ratios, not least because the calculation of own funds and consolidated prudential requirements – which are reported to the Bank of Italy as part of prudential supervisory reports (COREP) and statistical reports (FINREP) – is carried out with reference to Ente Cambiano Scpa (code 20067), which, under the European Capital Requirements Regulation (CRR), is classified as the financial parent company; consequently, 85.51 per cent (approximately €452,000) of these dividends attributable to Ente Cambiano will remain within the total regulatory capital.

The Board of Directors, in line with its stated objectives of strengthening the Bank’s capital position, therefore proposes the following allocation of the profit for the financial year:

PROPOSAL BY THE BOARD OF DIRECTORS FOR THE ALLOCATION OF PROFIT FOR THE 2025 FINANCIAL YEAR	
NET PROFIT FOR THE FINANCIAL YEAR TO BE ALLOCATED	7,030,200
• to the Statutory Reserve (5.00% of profit)	351,510
• to the Extraordinary Reserve	6,150,521
• to shareholders as dividends (€0.002075 for each of the 254,539,130 ordinary shares)	528,169
Total	7,030,200

Concluding remarks

Dear Shareholders,

The Board of Directors would like to thank Mr Francesco Bosio for his work over the 43 years he has served the Bank, 26 of which as General Manager, as well as the outgoing members of the Board and the Board of Statutory Auditors for their work.

Florence, 27 April 2026

The Board of Directors

FINANCIAL STATEMENTS OF THE COMPANY

BALANCE SHEET

	Assets	31 December 2025	31 December 2024
10	Cash and cash equivalents	136,364,041	131,135,687
20	Financial assets measured at fair value through profit or loss	226,196,076	227,461,821
	<i>(a) financial assets held for trading</i>	<i>74,242,550</i>	<i>52,055,208</i>
	<i>b) financial assets designated at fair value</i>	-	-
	<i>c) other financial assets required to be measured at fair value</i>	<i>151.553.487</i>	<i>135.400.553</i>
30	Financial assets measured at fair value through profit or loss comprehensive income	81,861,572	173,169,533
40	Financial assets measured at amortised cost	3,543,986,429	3,578,085,675
	<i>a) loans and advances to banks</i>	<i>70.254.015</i>	<i>151,011,737</i>
	<i>b) loans and advances to customers</i>	<i>3,407,732,414</i>	<i>3,427,073.538</i>
50	Hedging derivatives	-	-
60	Value adjustment of financial assets subject to generic hedging (+/-)	-	-
70	Equity investments	47,307,655	48,614,756
80	Tangible assets	62,293,651	64,099,781
90	Intangible assets	5,420,230	5,090,188
	<i>of which goodwill</i>	-	-
100	Tax assets	19,115,632	14,845,178
	<i>a) current</i>	<i>7,401.104</i>	<i>2,757,832</i>
	<i>b) prepaid</i>	<i>11,714.408</i>	<i>12,047.340</i>
110	Non-current assets and disposal groups	-	-
120	Other assets	145,916,534	141,663,440
	Total assets	4,268,461,821	4,384,166,050

	Liabilities and equity items	31 December 2025	31/12/2024
10	Financial liabilities measured at amortised cost	3,871,085,000	3,997,333,947
	<i>a) bank borrowings</i>	178.04S.545	71,857.550
	<i>b) amounts owed to customers</i>	3.007,475,158	3.80S.C54.117
	<i>c) securities in issue</i>	85.55S.857	115,782,241
20	Financial liabilities held for trading	4,339,520	420,426
30	Financial liabilities designated at fair value	-	-
40	Hedging derivatives	-	-
50	Value adjustment on financial liabilities subject to hedging (+/-)	-	-
60	Tax liabilities	3,336,233	31,414
	<i>a) current</i>	3,285,CCC	0
	<i>b) deferred</i>	50.5C7	31,414
70	Liabilities associated with assets held for disposal	-	-
80	Other liabilities	93,680,073	93,243,231
90	Staff severance pay	2,937,941	3,131,171
100	Provisions for risks and charges:	5,752,245	4,943,895
	<i>a) commitments and guarantees given</i>	2,77C,252	2,384.SCC
	<i>b) pension and similar obligations</i>	-	-
	<i>c) other provisions for risks and charges</i>	2.575.S54	2.558.S2S
110	Valuation reserves	694,153	-1,064,212
120	Redeemable shares	-	-
130	Equity instruments	40,000,000	40,000,000
140	Reserves	-13,996,782	-21,482,152
150	Share premium	803,240	803,240
160	Share capital	252,800,000	252,800,000
170	Treasury shares (-)	-	-
180	Profit	7,030,200	14,005,100
	Total liabilities and equity	4,268,461,821	4,384,166,05G

PROFIT AND LOSS ACCOUNT

	Items	31/12/2025	31/12/2024
10	Interest income and similar income	137,172,250	173,288,390
	<i>of which: interest income calculated using the effective interest method</i>	<i>120.CS4.7C8</i>	<i>1C3.20C.S83</i>
20	Interest expense and similar charges	-62,036,034	-94,113,764
30	Net interest income	75,136,216	7G 174,625
40	Commission income	37,533,209	36,523,991
50	Commission expense	-6,941,885	-5,921,550
60	Net commission income	30.5G1,324	30,602,441
70	Dividends and similar income	909,283	544,072
80	Net trading profit	7,555,145	9,499,451
90	Net result from hedging activities	-	-
100	Gains (losses) on disposal or repurchase of:	2,210,091	1,690,507
	<i>a) financial assets measured at amortised cost</i>	<i>1.CS5.4S8</i>	<i>704.88C</i>
	<i>b) financial assets measured at fair value through profit or loss</i>	<i>4S7.511</i>	<i>5C5.228</i>
	<i>c) financial liabilities</i>	<i>13,082</i>	<i>20.3S3</i>
110	Net result from other financial assets and liabilities measured at fair value with an impact on the profit and loss account:	2,064,081	-4,278,092
	<i>a) financial assets and liabilities designated at fair value</i>	-	-
	<i>b) other financial assets required to be measured at fair value</i>	<i>2.0C4.081</i>	<i>-4,278.0S2</i>
120	Net interest and other banking income	118,466,140	117,233,005
130	Net credit risk impairment losses/reversals of:	-33,129,056	-25,405,676
	<i>a) financial assets measured at amortised cost</i>	<i>-33,155,8S1</i>	<i>-25,C32,487</i>
	<i>b) financial assets measured at fair value through profit or loss</i>	<i>2C.835</i>	<i>22C.811</i>
140	Gains/losses arising from contractual amendments excluding derecognitions	-174,401	-394,520
150	Net result from financial operations	85,162,683	G1,432.80G
160	Administrative expenses:	-77,695,626	-77,150,270
	<i>a) staff costs</i>	<i>-3C.3SC.438</i>	<i>-34,848,305</i>
	<i>b) other administrative expenditure</i>	<i>-41.2SS.18S</i>	<i>-42,301.SC4</i>
170	Net provisions for risks and charges	-932,434	1,540,034
	<i>a) commitments and guarantees given</i>	<i>-3S1.28C</i>	<i>-285.7C2</i>
	<i>b) other net provisions</i>	<i>-541,148</i>	<i>1,825.7SC</i>
180	Net write-downs/write-backs on tangible assets	-5,177,137	-5,168,006
190	Net write-downs/write-backs on intangible assets	-2,001,147	-2,471,708
200	Other operating expenses/income	8,233,334	7,969,158
210	Operating costs	-77,573,010	-75,280,7G1
220	Gains (Losses) on investments	767,330	442,376
230	Net result of fair value measurement of tangible assets and intangible	-	-
240	Impairment losses on goodwill	-	-
250	Gains (Losses) on disposal of investments	-1,002	-233,934
260	Profit (Loss) from continuing operations before tax	8,356,001	16,360,460
270	Income tax for the year on current operations	-1,325,801	-2,355,360
280	Profit (Loss) from continuing operations, net of tax	7,030,200	14,005,100
290	Profit (Loss) from discontinued operations, net of tax	0	0
300	Profit (Loss) for the year	7,030,200	14,005,100

STATEMENT OF COMPREHENSIVE INCOME

	Items	31/12/2025	31/12/2024
10	Profit (loss) for the year	7,030,200	14,005,100
	Other comprehensive income net of tax, excluding reclassification to the income statement		
20	Equity securities designated at fair value through profit or loss comprehensive income	174,456	31,373
30	Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness)	-	-
40	Hedging of equity securities designated at fair value through comprehensive income	-	-
50	Property, plant and equipment	-	-
60	Intangible assets	-	-
70	Defined benefit plans	83,273	-14,623
80	Non-current assets and disposal groups	-	-
90	Share of valuation reserves relating to equity investments measured at net equity equity	-	-
	Other comprehensive income, net of tax, reclassified to the income statement		
100	Hedging of foreign investments	-	-
110	Exchange rate differences	-	-
120	Cash flow hedging	-	-
130	Hedging instruments (undesignated items)	-	-
140	Financial assets (other than equity securities) measured at fair value with impact on comprehensive income	1,565,363	5,603,344
150	Non-current assets and disposal groups	-	-
160	Share of the valuation reserves of equity investments measured at fair value equity	-64,728	-
170	Total other comprehensive income, net of tax	1,758,364	5,620.0G4
180	Total profit (items 10+170)	8,788,564	1G.625.1G4

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN NET ASSETS AS AT 31/12/2025	Balance at 31 December 2024	Adjustment to opening balances	Balance as at 1 January 2025	Allocation of profit for the year previous		Changes during the financial year								
				Reserves	Dividends and other allocations	Changes in reserves	Transactions affecting equity						Total comprehensive income for the financial year ending 31 December 2025	Equity as at 31 December 2025
							Issue of new shares	Purchase of own shares	Extraordinary dividend distribution	Changes in equity instruments	Derivatives on own shares	Share options		
Share capital:														
a) ordinary shares	252,800,000		252,800,000											252,800,000
b) other shares	0													0
Share premium	803,240		803,240											803,240
Reserves:														
a) profit reserves	-21,482,152		-21,482,152	12,936,036	0	-3,253,166				-2,197,500				-13,GG6,782
b) other	0													0
Revaluation reserves	-1,064,212		-1,064,212										1,758,364	6G4.153
Equity instruments	40,000,000		40,000,000											40,000,000
Treasury shares	0													0
Profit (Loss) for the year	14,005,100		14,005,100	-12,936,036	-1,069,064								7,030,200	7,030,200
Equity	285,061.G76	0	285,061.G76	0	-1,069.06	-3,253,166	0	0	0	-2.1G7,500	0	0	8,788,564	287,330,810

STATEMENT OF CHANGES IN NET ASSETS AS AT 31/12/2024	Opening balance as at 31 December 2023	Adjustment to opening balance	Balance as at 1 January 2024	Allocation of profit for the year previous		Changes during the financial year								
				Reserves	Dividends and other appropriations	Changes in reserves	Transactions affecting equity					Comprehensive income for the year ended 31 December 2024	Equity as at 31 December 2024	
							Issue of new shares	Purchase of own shares	Extraordinary dividend distribution	Change in equity instruments	Derivatives on own shares			Share options
Share capital:														
a) ordinary shares	252,800,000		252,800,000											252,800,000
b) other shares	0													0
Share premium	803,240		803,240											803,240
Reserves:														
a) profit reserves	-38,560,801	-1,098,531	-39,689,332	20,419,996		-15,315				-2,197,500				-21,482,152
b) other	0													0
Revaluation reserves	-7,782,837	1,098,531	-6,684,306										5,620,094	-1,064,212
Equity instruments	40,000,000		40,000,000											40,000,000
Treasury 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
Equity	26G,304,102	0	26G.304.102	0	-1,654,504	-15,315	0	0	0	-2.1G7,500	0	0	1G.625.1G4	285,061.G76

Notes:

The 'Adjustment to opening balances' column reflects the adjustment made to the balances as at 31 December 2023 resulting from the reallocation of the reserve recognised on an equity investment from the item 'Valuation reserves' to the item 'Reserves'.

CASH FLOW STATEMENT

	Amounts 31/12/2025	Amounts 31/12/2024
A. OPERATING ACTIVITIES		
1 Management	43,037,383	50,382,370
- Profit/loss for the year (+/-)	7,030,200	14,005,100
- Gains/losses on financial assets held for trading and on other financial assets/liabilities measured at fair value through profit or loss (-/+)	-6,558,391	2,516,555
- Gains/losses on hedging activities (-/+)	-	-
- Net credit risk impairment losses/reversals (+/-)	33,129,056	25,405,676
- Net value adjustments/reversals on tangible and intangible fixed assets (+/-)	7,178,283	7,639,713
- Net provisions for risks and charges and other costs/income (+/-)	932,434	-1,540,034
- Taxes, duties and unsettled receivables (+/-)	1,325,801	2,355,360
- Net value adjustments/reversals relating to groups of assets held for disposal, net of the tax effect (+/-)	-	-
- Other adjustments (+/-)	-	-
2 Cash generated/absorbed by financial activities	60.741.7GG	188.625.625
- Financial assets held for trading	22,206,131	-5,767,729
- Financial assets designated at fair value	-	-
- Other assets required to be measured at fair value	-14,381,995	-42,065,942
- Financial assets measured at fair value through other comprehensive income	91,311,408	301,836,460
- Financial assets measured at amortised cost	966,744	-101,767,833
- Other assets	-9,360,489	36,690,670
3 Cash generated/absorbed by financial liabilities	-123,623,608	-438,335,178
- Financial liabilities measured at amortised cost	-126,248,947	-421,259,233
- Financial liabilities held for trading	3,919,094	-22,026
- Financial liabilities designated at fair value	-	-
- Other liabilities	-1,593,755	-17,053,919
Net cash generated/used in operating activities	G,855,574	-1GG.027.183
B. INVESTING ACTIVITIES		
1 Cash generated from	3,746,854	4,048,521
- Sales of equity investments	3,597,240	-
- Dividends received on equity investments	-	-
- Disposals of tangible assets	149,614	4,048,521
- Sales of intangible assets	-	-
- Disposals of business units	-	-
2 Cash outflow from	-7,305.00G	-13.2G8.172
- Purchases of equity investments	-1,588,440	-
- Purchases of tangible assets	-3,385,381	-10,588,186
- Purchases of intangible assets	-2,331,188	-2,709,985
- Acquisitions of business units	0	0
Net cash generated/used in investing activities	-3,558,155	-G.24G.651
C. FUNDING ACTIVITIES		
- Issuance/purchase of own shares	-	-
- Issuance/purchase of equity instruments	-	-
- Dividend payments and other purposes	-1,069,064	-1,654,504
Net cash generated/absorbed by funding activities	-1,06G,064	-1,654,504
NET CASH FLOWS GENERATED/ABSORBED DURING THE FINANCIAL YEAR	5,228,354	-20G.G31,338

FINANCIAL STATEMENT ITEMS	Amounts 31/12/2025	Amounts 31 December 2024
Cash and cash equivalents at the start of the financial year	131,135,687	341,067,025
Total net cash generated/used during the financial year	5,228,354	-209,931,338
Cash and cash equivalents: effect of exchange rate fluctuations	-	-
Cash and cash equivalents at the end of the financial year	136,364,041	131,135,687

NOTES TO THE FINANCIAL STATEMENTS

PART A – Accounting policies

A.1 – General Section

Section 1 – Statement 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 accounting standards issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as endorsed by the European Commission and in force as at 31 December 2025, and transposed into Italian law by Legislative Decree No. 38/2005, which exercised the option provided for in EC Regulation No. 1606/2002 on international accounting standards. The financial statements as at 31 December 2025 have been prepared in accordance with the instructions issued by the Bank of Italy in Circular No. 262/05 'Bank financial statements: formats and rules for preparation', updated to the eighth update of 17 November 2022. These Instructions set out, in a binding manner, the financial statement formats and the relevant methods of preparation, as well as the content of the Notes to the Financial Statements. The financial statements consist of the Balance Sheet, the Profit and Loss Account, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Cash Flow Statement and the Notes to the Financial Statements, and are accompanied by the Management Report. The balance sheet and profit and loss account are presented in euros, whilst the other statements and tables in the notes to the financial statements are presented in thousands of euros. The accounting standards adopted for the preparation of the 2025 Financial Statements, with regard to the classification, recognition, measurement and derecognition of the various asset and liability items, as well as the methods for recognising revenue and costs, have remained unchanged from the 2024 Financial Statements, with the exception of the amendments made following the entry into force, with effect from 1 January 2025, of the new standards detailed below.

Document title	Date of publication	Entry into force
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 to assess whether one currency can be converted into another and, where this is not possible, how to determine the exchange rate to be used and the disclosures to be provided in the notes to the financial statements. The adoption of this amendment had no impact on the Bank's financial statements	15 August 2023	1 January 2025

As at the reference date of this document, the relevant bodies of the European Union have completed the endorsement process necessary for the adoption of the amendments and standards described below; however, these standards are not yet mandatory and have not been early adopted by the Bank as at 31 December 2025:

Document title	Date of publication	Effective force
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 certain issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary depending on the achievement of ESG objectives (i.e. green bonds). In particular, the amendments aim to: - Clarify the classification of financial assets with variable returns linked to environmental, social and corporate governance (ESG) objectives, and the criteria to be used for assessing the SPPI test; - determine that the settlement date for liabilities settled via electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy allowing it to derecognise a financial liability before delivering cash on the settlement date, provided certain specific conditions are met. With these amendments, the IASB has also introduced further disclosure requirements relating, in particular, to investments in equity instruments designated at FVOCI. The amendments will apply to financial statements for financial years beginning on or after 1 January 2026, but early application is permitted. The directors do not expect a on the Bank's consolidated financial statements arising from the adoption of this amendment.	30 May 2024	1 January 2026
On 18 July 2024, the IASB published a document entitled "Annual Improvements Volume 11" . The document includes clarifications, simplifications, corrections and changes aimed at improving the consistency of various IFRS accounting standards. The amended standards are: IFRS 1 First-time Adoption of International Financial Reporting Standards;	18 July 2024	1 January 2026

Document title	Date of publication	Date of force
- IFRS 7 Financial Instruments: Disclosures and the related guidance on the implementation of IFRS 7; - IFRS 10 Consolidated Financial Statements; and - IAS 7 Statement of Cash Flows. The amendments will apply from 1 January 2026, but early application is permitted. The directors do not expect this amendment to have a significant effect on the Bank's financial statements as a result of adopting this amendment.		
On 18 December 2024, the IASB published an amendment entitled "Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7". The document aims to assist 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 quantity of electricity generated and purchased may vary depending on uncontrollable factors such as weather conditions. The IASB has made targeted amendments to IFRS 9 and IFRS 7. The amendments include: - clarification regarding the application of the 'own use' requirements to this type of contract; - criteria to allow such contracts to be accounted for as hedging instruments; and, - new disclosure requirements to enable users of the 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 early application is permitted. The directors do not expect this amendment to have a significant effect on the Bank's financial statements.	18 December 2024	1 January 2026

The Bank has not exercised the option to apply the Regulations, which come into force on 1 January 2025, early, as it is not considered that these amendments will have a significant impact on the Bank's financial position and results of operations.

Finally, at the date of approval of these financial statements, the approval process by the relevant European Union bodies, necessary for the adoption of the following amendments, has not yet been completed:

Document title	Date of publication	Entry into force
On 9 April 2024, the IASB published a new standard, IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1 <i>Presentation of Financial Statements</i>. The new standard aims to improve the presentation of financial statements, with particular reference to the income statement. Specifically, the new standard requires: - classify revenue and expenses into three new categories (operating, investing and financing sections), in addition to the 'tax' and 'discontinued operations' categories already included in the income statement; - present two new subtotals: operating profit and profit before interest and tax (i.e. EBIT). The new standard also: - requires more information on performance indicators defined by management; - introduces new criteria for the aggregation and disaggregation of information; and, - introduces certain changes to the cash flow statement format, including the requirement to use operating profit as the starting point for presenting the cash flow statement prepared using the indirect method, and the removal of certain classification options for some existing items (such as interest paid, interest received, dividends paid and dividends received). The new standard will come into force on 1 January 2027, but early adoption is permitted. At present, the directors are assessing the possible effects of introducing this new standard on the financial statements.	9 April 2024	1 January 2027
On 9 May 2024, the IASB published a new standard, IFRS 13 Subsidiaries without Public Accountability: Disclosures. The new standard introduces certain simplifications regarding the disclosures required by the IFRS Accounting Standards in the financial statements of a subsidiary that meets the following requirements:	9 May 2024	1 January 2027

Document title	Date of publication	Date of force
- has not issued any equity or debt instruments listed on a regulated market and is not in the process of issuing any; - its parent company prepares consolidated financial statements in accordance with IFRS. The new standard will come into force on 1 January 2027, but early adoption is permitted. The directors do not expect this amendment to have a significant impact on the Bank's financial statements as a result of adopting this amendment.		
On 13 November 2025, the IASB published a document entitled "<i>Translation to a Hyperinflationary Presentation Currency – Amendment to IAS 21</i>", which clarifies the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if: - its functional currency is that of a non-hyperinflationary economy and it is translating its financial results and financial position into the currency of a hyperinflationary economy; or, - it is translating the financial results and financial position of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, into the currency of a hyperinflationary economy. The amendments will apply to financial statements for annual periods beginning on or after 1 January 2027. The directors do not expect this amendment to have any impact on 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 IFRS to continue recognising amounts relating to assets subject to regulated tariffs ("<i>Rate Regulation Activities</i>") in accordance with previously adopted accounting standards. As the Company is not a <i>first-time adopter</i>, this standard is not applicable.	30/01/2024	

Section 2 – General Principles of Preparation

In preparing the financial statements, the following general principles of preparation set out in IAS 1 have been observed:

- Going concern – The financial statements have been prepared on a going concern basis;
- Accrual basis of accounting – Costs and revenues are recognised on an accrual basis and in accordance with the matching principle;
- Consistency in the presentation of the financial statements – The presentation and classification of items are maintained from one financial year to the next in order to ensure the comparability of information, unless changes are required by an International Accounting Standard or an interpretation thereof, or simply because another presentation or classification is deemed more appropriate in terms of relevance and reliability in the presentation of information;
- Prohibition on offsetting – Assets, liabilities, costs and revenues are not offset against one another unless required by an International Accounting Standard or an interpretation, or unless expressly provided for in the financial statement formats 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 profit and loss account formats consist of items (marked with Arabic numerals), sub-items (marked with letters) and further explanatory details (the 'of which' breakdowns for items and sub-items). The items, sub-items and related details constitute accounts in the financial statements. The formats comply with those defined by the Bank of Italy in Circular No. 262 of 22 December 2005 and subsequent updates. New items may be added to the aforementioned formats if their content cannot be classified under any of the items already provided for in the formats and only if the amounts involved are material. The sub-items set out in the formats may be grouped together where one of the following two conditions applies:
 - a) the amount of the sub-items is immaterial;
 - b) the grouping enhances the clarity of the financial statements; in this case, the notes to the financial statements must clearly list the sub-items that have been grouped.

In the balance sheet, the profit and loss account and the statement of comprehensive income, accounts showing no amounts for either the financial year to which the financial statements relate or the previous financial year are not shown;
- substance over form*: transactions and other events are recognised and presented in accordance with their substance and economic reality, and not merely in accordance with their legal form;
- comparative information*: for each item in the balance sheet and the profit and loss account, comparative information relating to the previous financial year is provided, unless an accounting standard or interpretation permits or requires otherwise. Explanatory and descriptive information is also included where this facilitates a better understanding of the financial statements in question. Figures for the previous financial year may be appropriately restated, where necessary, to ensure the comparability of information relating to the current financial year. Any lack of comparability, restatement or inability to restate is disclosed and commented on in the notes to the financial statements;

- Frequency of reporting: the notes must be prepared at least annually; if an entity changes the end date of its financial year, it must state the reason for the change in the length of the financial year and the fact that the figures are not comparable.

The notes to the financial statements are divided into parts. Each part of the notes is divided into sections, each of which sets out a single aspect of the entity's operations.

Statement on going concern

The Joint Coordination Committee comprising the Bank of Italy, CONSOB and ISVAP on the application of IAS/IFRS, in Document No. 2 of 6 February 2009 "Disclosures in financial reports on going concern, financial risks, impairment tests of assets and uncertainties in the use of estimates", as well as the subsequent Document No. 4 of 4 March 2010, required the Directors to carry out particularly thorough assessments regarding the existence of the going concern assumption.

In this regard, paragraph 25 of the International Accounting Standard IAS 1 states that: "When preparing the financial statements, management must assess the entity's ability to continue as a going concern. The entity shall prepare its financial statements on a going concern basis unless management intends to liquidate the entity or cease its operations, or has no realistic alternative to doing so."

In order to provide evidence supporting the assumption of going concern, the Directors have taken into account the significant events that occurred in 2025 and in the first few months of 2026.

In particular, the Directors assessed:

- the findings, presented to the corporate bodies on 7 November 2025 by the Bank of Italy, of the inspections to which the Bank was subjected from 24 February to 13 June 2025, and the adoption of consequent measures and actions;
- the actions set out in the remediation plans previously outlined;
- the actions and their expected impacts set out in the 2026–2028 Plan, including in terms of compliance with the capital requirements set by the Bank of Italy.

With regard to the findings of the supervisory review, the Directors have in fact approved remedial plans which the Bank drew up in response to the supervisory findings and communicated to the Bank of Italy on 5 January 2026, subsequently updated on 6 March 2026 alongside the approval of a specific AML remedial plan.

At the meeting on 6 March 2026, the Directors approved the 2026–2028 Strategic Plan, which not only summarises the main strategic initiatives but also sets out the financial and capital targets for the Bank and the Group over the plan's timeframe; For a detailed examination of the plan's contents, please refer to the section 'Business Plan 2026–2028'.

At the same meeting, the Board of Directors approved the amount of the capital increase required to support the action plan and the investments needed to address the shortcomings identified by the supervisory inspections, as well as to revitalise the business and ensure that the control mechanisms and credit process are fully reliable.

In estimating the capital increase, consideration was given both to the impact of de-risking initiatives—designed to bring the NPL ratio back to the sector average—and to the aforementioned IT and HR investment plan for the period 2026–2028.

As part of the forecasts, specific analyses were carried out to assess compliance with capital requirements over the plan's timeframe, including under the assumption of an unchanged capital structure and no changes to the scope of prudential consolidation, whilst taking into account possible positive effects arising from anticipated legislative and regulatory measures, with particular reference to the potential positive repercussions of the completion of the transposition of the CRD VI Directive into national law, as previously outlined.

It should be noted that on 20 February 2025, the Supervisory Authority issued the Provision containing the "new" capital decision, effective from the Supervisory Reports as at 31 March 2025, which was already discussed in the previous paragraph on the 2025 SREP.

The requirements set out by the Bank of Italy for the prudential consolidation including Ente Cambiano are:

- Common Equity Tier 1 (CET 1) ratio: 10.05 per cent, comprising an OCR CET1 ratio of 8.30 per cent and a Target Component (Pillar 2 Guidance, P2G), to account for higher risk exposure under stress conditions, amounting to 1.75 per cent;
- Tier 1 capital ratio: 11.95 per cent, comprising an OCR T1 ratio of 10.20 per cent and a Target Component, reflecting higher risk exposure under stress conditions, of 1.75 per cent;
- Total Capital ratio: 14.55 per cent, comprising an OCR TC ratio of 12.80 per cent and a Target Component, reflecting a higher risk exposure under stress conditions of 1.75 per cent.

The capital adequacy ratios, based on the current capital structure and excluding the planned capital increases mentioned above, stand at a CET 1 ratio of 13.61 per cent, a Tier 1 ratio of 15.91 per cent and a TCR of 18.89 per cent, which is higher than the total capital ratio including the Target Component (Pillar 2 Guidance) set by the Bank of Italy, to which is added the systemic risk buffer (SyRB) coefficient, amounting to 0.846 per cent. The Bank's liquidity profile remains at consistently high levels, with indicators as at 31 December 2025 recording values above the regulatory minimums

The analyses carried out in the 2026–2028 plan have demonstrated compliance with the capital requirements to which the Bank must adhere across various scenario assumptions; in particular, analyses were carried out assuming a base-case scenario and an adverse scenario, featuring reduced growth in assets, a reduction in credit guarantees, a deterioration in default rates, difficulties in increasing funding, and a deterioration in the outcome of NPL disposals.

Various combinations were also considered, excluding the positive effects of regulatory changes affecting the scope of consolidation, excluding the capital increase, and excluding both.

The assumptions made nevertheless lead to a positive outcome in terms of maintaining the currently projected CET1, Tier 1 and Total Capital Ratio thresholds.

The financial results for the 2025 financial year have already demonstrated the Group's operational capacity to generate income from its core business, even within an evolving economic environment, with significant provisions for loan losses; the financial and balance sheet figures at the start of 2026 currently show positive signs, consistent with the 2026 budget projections, confirming the sustainability of the objectives of the aforementioned "2026–2028 Business Plan"

The Directors, whilst aware of the complexities involved in implementing some of the planned measures within the envisaged timeframe and in the manner envisaged, have concluded:

- in light of the results as at 31 December 2025 and the objectives achieved through initiatives already implemented during 2026, and;
- - in light of the forecasts regarding the maintenance of capital requirements over the 2026–2028 Plan horizon, including under stress scenarios and disregarding the positive effects of the planned capital increase,

that there is a reasonable expectation that the Bank will continue to operate as a going concern for the foreseeable future, thereby confirming the appropriateness of applying the going concern assumption in the preparation of the financial statements for the 2025 financial year.

Section 3 – Events subsequent to the balance sheet date

Since the preparation of the financial statements for the year ended 31 December 2025, 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 disclosures. For further details on events occurring after 31 December 2025, please refer to the relevant section in the Directors' Report on Operations.

Section 4 – Other matters

Appointment of the Auditors

The Bank's financial statements are audited by Deloitte C Touche s.p.a..

Use of estimates and assumptions in the preparation of the annual financial statements

The preparation of the financial statements also requires the use of estimates and assumptions that may have a significant impact on the amounts recognised in the balance sheet and the profit and loss account, as well as on the disclosures relating to contingent assets and liabilities included in the financial statements. The preparation of these estimates involves the use of available information and the application of subjective judgements, based in part on historical experience, in order 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; it cannot therefore be ruled out that, in subsequent financial years, the current amounts recognised in the financial statements may differ, even significantly, as a result of changes in the subjective judgements used. The main areas in which the Bank is most frequently required to make subjective judgements are:

- the quantification of impairment losses on loans and, in general, on other financial assets;
- the determination of the fair value of financial instruments for the purposes of financial reporting;
- the use of valuation models to recognise the fair value of financial instruments not quoted on active markets;
- the assessment of the appropriateness of the value of goodwill and other intangible assets;
- the quantification of staff provisions and provisions for risks and charges;
- estimates and assumptions regarding the recoverability of deferred tax assets;

The description of the accounting policies applied to the main financial statement line items provides the necessary details to identify the key assumptions and judgements used in the preparation of the annual financial statements.

As part of its policies for managing loans to customers, the Bank has adopted processes and procedures for monitoring the performance of loan portfolios in accordance with sector regulations and internal provisions governing the rules for classification and transfer between the various risk categories. In the process of classifying non-impaired loans – including for the purposes of their subsequent valuation – the Bank has taken into account the particular context of macroeconomic uncertainty arising from ongoing geopolitical tensions.

For the classification of credit exposures into homogeneous risk classes, the Bank 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 Bank, as part of its classification and valuation policies, has employed valuation processes and methods characterised by elements of subjectivity and the estimation of certain variables, such as, primarily, expected cash flows,

recovery and the estimated realisable value of collateral, where applicable, changes to which may result in a variation in the final recoverable amount.

For further detailed information regarding the composition and the relevant carrying amounts of the items affected by the estimates in question, please refer to the specific sections of the notes to the financial statements.

With regard to the quantification of impairment losses on loans, Appendix B5.5.49 of the IFRS 9 accounting standard requires that the models used to measure loans in the portfolio be supplemented with judgement-based adjustments where the models themselves do not fully capture the expected impacts. The risks not captured by the models are so-called 'novel risks' (or emerging risks), i.e. those risks that arise for the first time or which, whilst having existed in the past, now exhibit characteristics, magnitudes or impacts that are significantly different from those observed historically. As at 31 December 2025, the Risk Management Function assessed the adequacy of the management overlays applied to the Bank's loan portfolio, taking into account developments in the macroeconomic environment and the main sources of uncertainty relevant to the measurement of expected losses under IFRS 9. The Risk Management Function deemed it appropriate to confirm the application of the management overlays already in place since 2024, maintaining the same methods of calculation:

Exposures secured by non-residential property

With regard to loans to businesses secured by non-residential property (commercial property), the Bank maintained the relevant management overlays throughout the 2025 financial year, given the continuing high level of risk in the commercial property sector at European level. For these positions, the management overlay was determined by applying an increased Loss Given Default (LGD), consistent with recovery profiles comparable to those of unsecured exposures, in place of the standard LGD applicable to positions secured by property.

The retention of management overlays on exposures secured by non-residential property resulted, with regard to the Bank's loan portfolio as at 31 December 2025, in an increase in write-downs totalling €650 thousand, of which:

- €137,000 relating to exposures classified as Stage 1;
- €513 thousand relating to exposures classified as Stage 2.

Management overlays on climate and environmental risks (ESG)

In line with regulatory and supervisory expectations regarding the integration of climate and environmental risks into risk management frameworks, the Bank maintained throughout the 2025 financial year the management overlays introduced to address ESG risks, as a first structured approach to incorporating these factors into the calculation of expected losses.

The add-ons applied are designed to capture, in a prudent manner, the potential effects of climate and environmental risks on the main components of the IFRS 9 model, with reference to both the probability of default of counterparties and the loss given default rates.

In particular:

- physical risk, defined as the risk of financial losses arising from extreme weather events or long-term phenomena linked to climate change. For this type of risk, the management overlay was determined by increasing the Loss Given Default applied to the most exposed counterparties, taking into account both properties used for business purposes and exposures secured by property collateral;
- transition risk, relating to the potential economic, financial and competitive impacts arising from the transition to a low-carbon economy. For counterparties most exposed to these factors, the management overlay was determined by applying a prudent increase to the Probability of Default.

The maintenance of management overlays on climate and environmental risks resulted, as at 31 December 2025, in an increase in total write-downs of €3.06 million, of which:

- €896,000 on exposures classified in Stage 1;
- €2.17 million on exposures classified in Stage 2.

The total impact of the management overlays as at 31 December 2025 therefore amounts to €3.71 million.

The macroeconomic outlook

The already highly unstable geopolitical situation, arising from ongoing conflicts in various parts of the world (primarily attributable to the effects of the Russia-Ukraine conflict), has recently been further exacerbated by the conflict in the Middle East, and continues to represent a risk factor for global economic stability to this day. The duration and intensity of the hostilities could, in fact, have a negative impact on a macroeconomic scenario that appeared to be moving towards a gradual stabilisation, with effects that cannot be estimated should the conflict extend further. It should be noted that the Group has no significant exposures relating to the countries involved in the ongoing conflicts and therefore does not experience any direct effects arising from them.

Against this backdrop, whilst hoping above all for a swift resolution to all ongoing conflicts, the Bank's relevant internal departments are constantly monitoring the wider context and any potential effects on the parameters most closely linked to the Group's operations – such as interest rates and inflation trends – in order to take swift action, as far as possible, to safeguard the Group's assets and, more generally, its interests.

2026 Budget Law – Extraordinary levy on the 'extra-profit reserve'

Article 26 of Decree-Law No. 104 of 10 August 2023 – converted, with amendments, by Law No. 136 of 9 October 2023 – had introduced an extraordinary tax for the 2023 financial year commensurate with the increase in banks’ net interest income recorded during the period 2021–2023, with a maximum limit calculated on the basis of the total risk exposure on an individual basis as at the end of the 2022 financial year.

In this context, however, the Act had introduced the option, in lieu of paying the tax, to allocate, upon approval of the 2023 financial statements, an amount not less than 2.5 times the amount of the tax itself to a non-distributable reserve.

The Act also specified that, in the event of this reserve being used for the distribution of profits, the bank would be required to pay the tax due, plus any interest accrued in the meantime, within 30 days of the approval of the relevant resolution authorising such use.

With regard to the one-off tax in question, amounting to €4,779,150, the Annual General Meeting held on 20 April 2024, when approving the financial statements for the 2023 financial year, resolved to adopt the proposal to allocate a portion of the profit for the year to the creation of a non-distributable reserve amounting to 2.5 times the extraordinary tax introduced by Article 26 of Decree-Law No. 104 of 10 August 2023 (an extraordinary tax calculated on the increase in net interest income), amounting to a total of €11,947,876.

The 2026 Budget Law (Law No. 199 of 30 December 2025) amended the rules governing the aforementioned extraordinary tax, introducing a legal presumption of priority distribution of the reserve in question in the event of the distribution of net profit for the financial year (including interim dividends) and/or reserves from 1 January 2029.

In order to avoid this effect, transitional provisions have been introduced, applicable until the financial year ending 31 December 2028, which allow the aforementioned reserve to be released by paying an extraordinary contribution amounting to 27.5 per cent of the reserve’s value as at 31 December 2025, if the option is exercised in 2026, or 33 per cent of the amount of the reserve existing as at 31 December 2026 or 31 December 2027, if the option is exercised in 2027 or 2028 respectively. From the financial year commencing on 1 January 2029, the distribution of profits or reserves in the absence of payment of the extraordinary contribution will result in the application of tax at a rate of 40 per cent on the ‘2023 Reserve’, as a consequence of the application of the aforementioned legal presumption.

The Board of Directors, at its meeting on 30 January 2026, confirmed its intention to exercise the option to release the reserve by paying the extraordinary contribution amounting to 27.5% of the existing reserve as at 31 December 2025, totalling €3,285,666, to be paid by 30 June 2026.

From an accounting perspective, the interpretation deemed correct – also endorsed by ABI – provides that the extraordinary contribution is to be charged directly against equity, based on an application by analogy, pursuant to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, of the provisions of paragraph 61A of IAS 12, which requires tax to be recognised in line with the relevant item on which the tax is calculated.

On the basis of the above, the liability relating to the obligation to pay the extraordinary contribution of 27.50% – amounting to €3,285,666 – has been recognised in the 2025 financial statements as a contra entry to the reduction in the capital reserve established in 2023 for €11,947,876, entitled “Deferred tax reserve under Decree-Law 104 of 10 August 2023” in line with the decision taken by the Bank’s Board of Directors to opt for the option provided for by the Act.

As a result of this recognition, equity is reduced by the amount of the contribution to be paid by the Bank during 2026.

A.2 – Section on the main balance sheet items

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

Classification criteria

This item comprises all financial assets other than those classified in the portfolio of financial assets measured at fair value through other 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, comprising debt securities, equity securities, loans, units in UCITS and the positive value of derivative contracts, acquired and held with the intention of reselling them on the market in the short term in order to realise a trading profit. This category also includes equity instruments that do not qualify as investments in a subsidiary, joint venture or associate, and for which the option to designate them at fair value through other comprehensive income was not exercised at initial recognition;
- assets designated at fair value, such as debt securities or loans, defined as such at the time of initial recognition where the conditions set out in IFRS 9 are met;
- other financial assets that must be measured at fair value, comprising debt securities, loans and units in UCITS, which do not meet the requirements for classification at amortised cost or at fair value through other comprehensive income. Essentially, these are financial assets whose contractual terms do not allow them to pass the so-called ‘SPPI test’ or which are not held within a ‘Held to Collect’ or ‘Held to Collect and Sell’ business model.

The general rules on the reclassification of financial assets set out in IFRS 9 do not provide for reclassification to other categories of financial assets unless the entity changes its business model for managing financial assets. In such cases – which are, however, infrequent – financial assets may be reclassified from this category into one of the other two categories provided for by the standard (financial assets measured at amortised cost or financial assets measured at fair value through other comprehensive income), and the transfer value will be the fair value at the time of reclassification. The effects of the reclassification will apply prospectively from the date of reclassification. In this case, the effective interest rate of the reclassified financial asset is determined on the basis of its fair value at the date of

reclassification, and that date is treated as the initial recognition date for allocation to the various stages of credit risk for the purposes of impairment.

For further information on the classification criteria for financial instruments, please refer to the following chapter “Classification criteria for financial assets”.

Recognition criteria

Financial assets are initially recognised on the settlement date; for debt and equity securities, on the disbursement date for loans; and on 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 or gains, incurred in advance and which do not represent recoverable expenses (such as brokerage commissions, placement fees, stamp duty, etc.), are instead recognised in the profit and loss account.

Valuation criteria

Following initial recognition, financial assets measured at fair value through profit or loss are measured at fair value. The effects of applying this measurement policy are recognised in the profit and loss account. Market quotations are used to determine the fair value of financial instruments listed on an active market. In the absence of an active market, commonly accepted estimation methods and valuation models are used, which take into account all risk factors relating to the instruments. For equity securities and derivatives relating to equity securities that are not quoted on an active market, the cost method is used as an estimate of fair value only on a residual basis and limited to a few circumstances.

Derecognition criteria

Financial assets are derecognised when the contractual rights to the cash flows arising from the assets expire or when the financial asset is sold, thereby transferring substantially all the risks and rewards 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 in full under “Other comprehensive income” in item 80 ‘Net trading income’ in the income statement, including those relating to derivative instruments, whilst gains and losses arising from changes in the fair value of financial assets designated at fair value and financial assets mandatorily measured at fair value are recognised in other comprehensive income under item 110, including the results of fair value measurements of such assets.

2. Financial assets measured at fair value through other comprehensive income (FVOCI)

Classification criteria

This category comprises debt securities and loans that meet two requirements: they are held in accordance with a ‘Held to Collect and Sell’ business model, and their contractual terms provide for cash flows consisting solely of principal and interest payments, thereby passing the so-called ‘SPPI test’. For a financial asset to be classified in this category or in the category of financial assets at amortised cost (see the following point), in addition to meeting the business model for which it was acquired, the contractual terms of the asset must provide, on specified dates, for cash flows consisting solely of payments of principal and interest on the principal amount to be repaid (“Solely Payment of Principal and Interest” – SPPI). The SPPI test must be carried out at the time the asset is recognised in the balance sheet; however, following initial recognition and for as long as the asset remains recognised in the balance sheet, it is no longer subject to further assessments for the purposes of the SPPI test. This item also includes equity instruments not held for trading for which, at the time of initial recognition, the option to designate them at fair value through other comprehensive income was exercised.

For further information on the classification criteria for financial instruments, please refer to the following chapter, “Classification criteria for financial assets”.

Recognition criteria

Financial assets measured at fair value through other comprehensive income are recognised in the balance sheet at their fair value, which normally corresponds to the consideration paid. Any directly attributable transaction costs or gains, incurred in advance and which do not represent recoverable expenses, are capitalised into the initial carrying amount. **Measurement criteria**

Following initial recognition, assets classified at fair value through other comprehensive income continue to be measured at fair value. For equity securities included in this category that are not quoted on an active market, the cost method is used as an estimate of fair value only on a residual basis and limited to a few circumstances.

Derecognition criteria

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

Criteria for recognising income components

With regard to debt securities, gains and losses are recognised in equity reserves until the financial asset is derecognised, except for the effects of impairment and any exchange rate effects, which are recognised in the profit and loss account. Upon disposal, the cumulative gain or loss is reclassified to the profit and loss account under item 100 “Gains/losses on disposal or repurchase”. Impairment losses are recorded in item 130 of the profit and loss account “Net adjustments /reversals of impairment losses for credit risk”. Increases in value due to the passage of time are recognised in the profit and loss account as interest income. Equity instruments for which the option to classify them in this category has been exercised are measured at fair value (or, failing that, at cost if fair value cannot be determined) and the amounts recognised

against equity will not be transferred to the profit and loss account, even if the instruments are disposed of. As required by IFRS 9, the only component of these instruments recognised in the profit and loss account is the related dividends.

3. Financial assets measured at amortised cost

Classification criteria

This category includes financial assets that meet both of the following conditions:

- the financial asset is held under a business model whose objective is achieved through the collection of contractually agreed cash flows ('HTC' business model);
- the contractual terms of the financial asset provide, on specified dates, for cash flows consisting solely of payments of principal and interest on the principal amount to be repaid (the so-called 'SPPI test' is passed).

More specifically, the following are recognised under this heading:

- loans to 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.

In accordance with the general rules set out in IFRS 9 regarding the reclassification of financial assets, reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets. In such cases, which are expected to be highly infrequent, financial assets may be reclassified from the category measured at amortised cost to one of the other two categories provided for under IFRS 9: 'Financial assets measured at fair value through other comprehensive income' or 'Financial assets measured at fair value through profit or loss'. The transfer value is the fair value at the time of reclassification, and the effects of the reclassification apply prospectively from the date of reclassification. Gains or losses arising from the difference between the amortised cost of the financial asset and its fair value are recognised in the profit and loss account in the case of reclassification to "Financial assets at fair value through profit or loss" and in equity, within the specific valuation reserve, in the case of reclassification to "Financial assets at fair value through other comprehensive income". For further information on the classification criteria for financial instruments, please refer to the following paragraph "Classification criteria for financial assets".

Recognition criteria

The initial recognition of a financial asset takes place on the settlement date for 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 gains directly attributable to the instrument itself.

Measurement criteria

Following initial recognition, the financial assets in question are measured at amortised cost, using the effective interest rate method. Accordingly, the asset is recognised in the balance sheet at an amount equal to its initial carrying amount less principal repayments, plus or minus the cumulative amortisation (calculated using the effective interest rate method referred to above) of the difference between that initial amount and the amount at maturity (typically attributable to costs/income charged directly to the individual asset) and adjusted for any provision for losses. The effective interest rate is determined by calculating the rate that equates the present value of the asset's future cash flows, comprising principal and interest, to the amount disbursed, including costs/income attributable to the financial asset itself. This method of accounting, based on financial principles, allows the economic effect of costs and income directly attributable to a financial asset to be spread over its expected remaining life. The amortised cost method is not used for assets carried at historical cost where their short duration means that the effect of applying the discounting approach is considered negligible, nor for those without a defined maturity, nor for revocable receivables. The measurement criteria are closely linked to the classification of the instruments in question into one of the three credit risk stages set out in IFRS 9, the last of which (Stage 3) comprises impaired financial assets and the remaining stages (Stages 1 and 2) comprise performing financial assets. With regard to the accounting treatment of the aforementioned valuation effects, value adjustments relating to this type of asset are recognised in the income statement:

- upon initial recognition, in an amount equal to the 12-month expected loss;
- upon subsequent measurement of the asset, where credit risk has not increased significantly since initial recognition, in relation to changes in the amount of value adjustments for expected losses over the following twelve months;
- upon subsequent valuation of the asset, where credit risk has increased significantly compared with the initial recognition, in relation to the recognition of value adjustments for expected losses relating to the entire remaining contractual life of the asset;
- at the time of the subsequent assessment of the asset, where a significant increase in credit risk has occurred compared with the initial recognition, the 'significance' of that increase has subsequently ceased to apply, in relation to the adjustment of cumulative value adjustments to take account of the transition from an expected loss over the entire remaining life of the instrument ('life-time') to a 12-month loss. The financial assets in question, where they are performing, are subject to a valuation aimed at determining the value adjustments to be recognised in the financial statements, at the level of individual credit relationship or security, based on the parameters of probability of default (PD), loss given default (LGD) and exposure at default (EAD) specifically set out in IFRS 9. If, in addition to a significant increase in credit risk, there is also objective evidence of impairment, the amount of the loss is measured as the difference between the carrying amount of the asset – classified as 'impaired', in the same way as all other exposures to the same counterparty – and the present value of the estimated future cash flows, discounted at the original effective interest rate. The amount of the loss, to be recognised in the profit and loss account, is determined on the basis of an analytical assessment or determined by category

homogeneous and, therefore, allocated analytically to each position, taking into account forward-looking information and possible alternative recovery scenarios. Impaired assets include financial instruments that have been classified as non-performing, in probable default or past due/overdrawn for more than ninety days in accordance with the Bank of Italy's rules, which are consistent with IAS/IFRS and European supervisory regulations. The projected cash flows take into account the expected recovery times and the estimated realisable value of any collateral. Should the reasons for the impairment be removed following an event occurring after the impairment loss was recognised, reversals of impairment losses are made and recognised in the profit and loss account. The reversal of an impairment loss may not exceed the amortised cost that the financial instrument would have had in the absence of previous adjustments. Reversals of impairment losses arising from the passage of time are recognised in net interest income. In some cases, during the life of the financial assets in question – and, in particular, receivables – the original contractual terms are subsequently amended by agreement between the contracting parties. When, during the life of an instrument, the contractual terms are amended, it is necessary to assess 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 recognised. In general, amendments to a financial asset lead to its derecognition and the recognition of a new asset when they are 'substantial'. The (qualitative and quantitative) analyses aimed at determining the 'materiality' of contractual amendments made to a financial asset must therefore take into account the purposes for which the amendments were made, for example, renegotiations for commercial reasons and concessions due to the counterparty's financial difficulties. The former, aimed at 'retaining' the customer, involve a debtor who is not in financial difficulty. This category includes all renegotiations aimed at bringing the cost of the debt into line with market conditions. Such transactions involve a change to the original terms of the contract – usually requested by the debtor – relating to aspects connected with the cost of the debt, resulting in an economic benefit for the debtor. Generally speaking, it is considered that whenever a bank carries out a renegotiation in order to avoid losing a customer, such renegotiation should be regarded as substantial because, were it not carried out, the customer might obtain financing from another intermediary and the bank would suffer a reduction in its projected future revenues. The second type, carried out for 'credit risk reasons' (forbearance measures), stems from the bank's attempt to maximise the recovery of cash flows from the original loan. The underlying risks and benefits, following the modifications, are not, as a rule, substantially transferred; consequently, the accounting treatment that provides the most relevant information to the reader of the financial statements is that carried out using 'modification accounting', which involves recognising in the profit and loss account the difference between the carrying amount and the present value of the modified cash flows discounted at the original interest rate, rather than through derecognition.

Derecognition criteria

Financial assets are derecognised from the financial statements only if the disposal has resulted in the substantial transfer of all risks and rewards associated with those assets. Conversely, if a significant portion of the risks and rewards relating to the disposed financial assets has been retained, these assets continue to be recognised in the financial statements, even though legal ownership of the assets has been effectively transferred. Where it is not possible to ascertain the substantive transfer of risks and rewards, financial assets are derecognised from the balance sheet if no control over them has been retained. Otherwise, the retention, even in part, of such control results in the assets being retained on the balance sheet to the extent of the residual involvement, measured by exposure to changes in the value of the transferred assets and to 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).

The IRR, and therefore the amortised cost, are determined by taking into account any discounts or premiums on acquisition, as well as costs or fees that form an integral part of the amortised cost.

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

Value adjustments or reversals arising from the Expected Credit Losses model adopted are recognised in the income statement under the heading "Net value adjustments/reversals for credit risk".

Amounts arising from adjustments made to the carrying amounts of financial assets to reflect changes to contractual cash flows that do not give rise to derecognition are recognised in the income statement under the heading 'Gains/losses from contractual changes without derecognition'.

4. Hedging transactions

Banca Cambiano 1884 s.p.a. makes use of the option, provided for upon the introduction of IFRS 9, to continue to apply in full the provisions of IAS 39 on 'hedge accounting' for all types of hedges.

Classification criteria

Hedging transactions are intended to offset potential losses attributable to a specific risk and recognisable on a specific item or group of items, should that particular risk actually materialise. The types of hedges used are as follows:

- fair value hedging aims to hedge exposure to changes in the fair value of assets and liabilities recognised in the balance sheet, or portions thereof, groups of assets/liabilities, irrevocable commitments and portfolios of financial assets and liabilities, as permitted by IAS 39 as adopted by the European Commission. Generic fair value hedges ("macro hedges") are intended to reduce 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 specific risks associated with balance sheet items;
- a foreign currency investment hedge refers to the hedging of risks associated with an investment in a foreign entity denominated in a foreign currency.

Recognition criteria

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

Measurement criteria

Hedging derivatives are measured at fair value. In the case of fair value hedging, the change in the fair value of the hedged item is offset by the change in the fair value of the hedging instrument. This offset is recognised by recording changes in value in the profit and loss account, relating to both the hedged item and the hedging instrument. Any difference, which represents the partial ineffectiveness of the hedge, consequently constitutes the net financial effect of the hedge. In the case of generic fair value hedges ("macro hedges"), changes in fair value relating to the hedged risk of the assets and liabilities being hedged are recognised in the balance sheet under item 60, "Value adjustment of financial assets subject to generic hedging", or item 50, "Value adjustment of financial liabilities subject to generic hedging", respectively; 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 recognised in the profit and loss account only when, in relation to the hedged item, a change in cash flows arises that is to be offset or if the hedge is ineffective; hedges of a foreign currency investment are accounted for in the same way as cash flow hedges. A derivative instrument is designated as a hedge if there is formal documentation of the relationship between the hedged item and the hedging instrument and if it is effective at the inception of the hedge and, prospectively, throughout the life of the hedge. The effectiveness of the hedge depends on the extent to which changes in the fair value of the hedged item or its expected cash flows are offset by those of the hedging instrument. Therefore, effectiveness is assessed by comparing these changes, taking into account the entity's objective at the time the hedge was established. Effectiveness is achieved when changes in fair value (or cash flows) of the hedging financial instrument almost entirely offset – that is, within the established range of 80–125 per cent – the changes in the hedged item, in respect of the risk being hedged. Effectiveness is assessed at each balance sheet date. In the event of the discontinuation of a generic fair value hedge relationship, the cumulative revaluations/write-downs recognised under item 60. "Value adjustments on financial assets subject to generic hedging" or 50. "Value adjustments on financial liabilities subject to generic hedging" are recognised in the profit and loss account under interest income or interest expense over the remaining term of the original hedging relationships, subject to verification that the relevant conditions continue to be met.

5. Equity investments

Classification criteria

The equity investments portfolio comprises shares where a situation of control, joint control or significant influence exists. Control is presumed to exist when more than 50 per cent of the voting rights exercisable at general meetings are held, either directly or indirectly. Significant influence is exercised when the investor holds, either directly or indirectly, a share of 20 per cent or more of the voting rights. Significant influence may also be determined where the shareholding is less than 20%, provided the following circumstances apply: a) representation on the Board of Directors; b) involvement in the decision-making process regarding the determination of dividends; c) the occurrence of significant transactions between the investor and the investee. Joint control exists when voting rights and control over the investee are shared with other parties.

Recognition criteria

This item comprises equity investments held in subsidiaries, jointly controlled entities or entities subject to significant influence; upon initial recognition, such investments are recognised at acquisition cost, plus directly attributable costs.

Valuation criteria

Investments are valued on a continuous basis using the 'equity' method. Investments in subsidiaries, jointly controlled entities or entities over which significant influence is exercised are carried 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 acquisition date. Dividends received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may be necessary following changes in the investor's shareholding in the investee, arising from changes in the investee's equity.

Derecognition criteria

Financial assets are derecognised when the contractual rights to the cash flows arising from those assets expire, or when the 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 and generated after the acquisition date are allocated to item 220 of the profit and loss account, 'Gains/losses on investments'. The results of the 'equity method' valuation are recognised under item 220 of the profit and loss account, 'Gains/losses on investments', when they have been recognised in the investee's profit and loss account; where they have not been recognised in the investee's profit and loss account, they are allocated to item 110 of the liabilities, 'Valuation reserves'. Gains/losses arising from the sale of investments are recognised under item 220 of the income statement, 'Gains/losses on investments'.

6. Tangible assets

Recognition criteria

Tangible assets, whether operational or non-operational, are initially recognised at a value equal to their cost, including all costs directly related to bringing the asset into operation and non-recoverable purchase taxes and duties. This value is subsequently increased by expenditure incurred from which future benefits are expected to be derived. The costs of routine maintenance carried out on the asset are recognised in the profit and loss account as and when they are incurred.

Valuation criteria

Following initial recognition, tangible assets are carried in the balance sheet at cost, net of accumulated depreciation and any accumulated impairment losses. Tangible assets are systematically depreciated in each financial year over their useful lives, using the straight-line method. The following are not subject to depreciation:

- land, whether acquired separately or included in the value of buildings, as it is considered to have an indefinite useful life. Where its value is included in the value of the building, it is treated as an asset separable from the building; the allocation between the value of the land and the value of the building is based on valuations by independent valuers, solely for freehold properties;
- works of art, whose useful life cannot be estimated and whose value is generally expected to increase over time.

The depreciation process begins when the asset is available for use.

Tangible assets acquired under finance leases

IFRS 16 is based on the concept of the transfer of the right to use the leased asset: a contract is therefore a lease, or contains a lease, if, in exchange for consideration, it confers the right to control the use of a specified asset for a period of time. This concept broadens the scope of the standard, which has been adopted for the accounting treatment of rental, hire, lease and similar contracts. The Standard requires lessees to move beyond the dual accounting framework of finance leases and operating leases by defining a single accounting model that requires the recognition of:

- a Right-of-Use asset (RoU) on the balance sheet;
- a Lease Liability (LL) on the liabilities side of the balance sheet;
- in the income statement, the amortisation of the right-of-use asset and the finance costs calculated on the lease liability.

On 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 at the Bank's marginal lending rate. On initial recognition, the right-of-use asset is equal to the initial measurement of the lease liability, plus lease payments due and made on or before the commencement date, net of lease incentives received, direct initial costs incurred by the lessee and the estimated costs that the lessee will incur for the dismantling and removal of the asset or for restoring it to the condition specified in the contract. The right-of-use asset and the lease liability must be recognised under property, plant and equipment and liabilities at amortised cost.

Criteria for derecognition

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

Criteria for recognising income components

Depreciation is recognised in the profit and loss account under the heading 'Net write-downs/write-backs on tangible assets'. In the first financial year, depreciation is recognised in proportion to the period during which the asset is actually available for use. 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 profit and loss account on the same date on which they are derecognised. The income statement item "Gains (Losses) on the disposal of investments" recognises the net balance, whether positive or negative, of gains and losses arising from the disposal of tangible assets.

7. Intangible assets

Classification criteria

This item comprises non-monetary assets without physical substance held for use over a period of several years or indefinitely, which meet the following criteria:

- identifiability;
- the company has control over them;
- it is probable that the expected future economic benefits attributable to the asset will flow to the company;
- the cost of the asset can be measured reliably.

If any of the above characteristics is not met, the expenditure incurred to acquire or generate the asset internally is recognised as an expense in the financial year in which it was incurred. Intangible assets include, in particular, application software intended for use over several years, and other identifiable assets arising from legal or contractual rights. Expenditure on third-party assets (rented branches) has been recorded under asset heading 120 'Other assets'; the related amortisation has been spread over the term of the lease agreements. In the context of a business combination, IFRS 3 stipulates that, at the date of acquisition of control, the acquirer must classify or designate the acquired intangible assets. As regards the definition of intangible assets, the standard identifies intangible assets acquired in a business combination as identifiable non-monetary assets without physical substance.

Recognition criteria

Intangible assets are recognised at cost, adjusted for any incidental costs incurred in preparing the asset for use. In the context of a business combination, the acquirer must classify or designate the acquired intangible assets and recognise them at their fair value. Goodwill, recognised as an asset at the acquisition date, is initially measured at cost. An impairment test is carried out annually, or whenever there is evidence of impairment, to assess the adequacy of the carrying amount of goodwill in accordance with the provisions of IAS 36. The amount of any impairment loss

is determined on the basis of the difference between the carrying amount of the goodwill and its recoverable amount, whichever is lower. This recoverable amount is 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 profit and loss account under the heading 'Goodwill impairment losses'. An impairment loss recognised on goodwill cannot be reversed in a subsequent financial year.

Measurement criteria

Following initial recognition, intangible assets with a 'definite' useful life are carried at cost, net of the aggregate amount of accumulated amortisation and impairment losses. Amortisation begins when the asset is available for use, i.e. when it is in the right place and in the right condition to operate as intended, and ceases when the asset is derecognised. Amortisation is calculated on a straight-line basis to reflect the multi-year use of the assets in line with their estimated useful life. At each balance sheet date, where there is evidence of impairment, the asset's recoverable amount is estimated. The amount of the impairment loss, recognised in the profit and loss account, is equal to the difference between the asset's carrying amount and its recoverable amount.

Criteria for derecognition

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

Criteria for recognising income components

Both amortisation and any impairment losses or reversals on intangible assets other than goodwill are recognised in the profit and loss account under the heading "Net impairment losses and reversals on intangible assets". Impairment losses on goodwill are recognised under the heading "Impairment losses on goodwill". Gains and losses arising from the disposal or divestment of an intangible asset are calculated as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit and loss account. Under the heading "Gains (Losses) on the disposal of investments", the net balance, whether positive or negative, of gains and losses arising from the realisation of investments is recognised.

8. Other assets

Other assets essentially comprise items awaiting classification and items not attributable to other balance sheet headings, including receivables arising from the supply of non-financial goods and services, tax items other than those recognised under their own headings, and accrued income and prepaid expenses other than those to be capitalised against the relevant financial assets. The Bank has included under "Other assets" tax credits for tax bonuses acquired following their disposal by direct beneficiaries or previous purchasers in connection with the "Cura Italia" and "Rilancio" decrees (see disclosure under "Other information").

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

This category comprises non-current assets held for sale. These assets are measured at the lower of their carrying amount and fair value, net of costs to sell; where they have been subject to depreciation, this ceases. As these are discontinued operations, the balance sheet items and the related income statement results are presented separately in the balance sheet and the income statement. As at the balance sheet date, the Bank does not hold any such assets.

10. Current and deferred taxation

This item comprises:

- Current tax assets;
- Deferred tax assets recognised in the profit and loss account;
- Tax assets recognised against equity;
- Current tax liabilities;
- Deferred tax liabilities recognised in the profit and loss account;
- Deferred tax liabilities recognised in equity.

Classification criteria

Current tax assets and liabilities.

Current tax liabilities for the current and previous financial years, to the extent that 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 arising from the carry-forward of tax losses, are recognised in the financial statements to the extent that it is probable they will be recovered, 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 "national tax consolidation" to generate taxable income on a continuous basis in future financial years. Deferred tax liabilities are recognised in the financial statements, with the sole exception of the higher asset values represented by tax-suspended reserves, as the size of the available reserves already subject to taxation provides reasonable grounds to believe that no transactions will be carried out on the company's own initiative that would result in their taxation. Prepaid and deferred tax are accounted for in the balance sheet as open balances without offsetting, with the former included under the heading "Tax assets" and the latter under "Tax liabilities".

Recognition and measurement criteria—

The effects relating to current, deferred tax assets and deferred tax liabilities are recognised by applying the tax rates in force or, where known, those expected to apply. The provision for income tax is determined on the basis of a prudent estimate of the current, deferred tax asset and deferred tax liability. Specifically, deferred tax assets and deferred tax liabilities

are determined on the basis of temporary and permanent differences between the value attributed to an asset or liability in accordance with statutory accounting standards and the corresponding values adopted for tax purposes.

Criteria for reversal

Current and deferred tax assets and liabilities are reversed as appropriate upon settlement of the tax liability and/or a change in existing tax legislation.

Recognition criteria for income components

Income taxes are recognised in the profit and loss account, with the exception of those relating to items charged or credited directly to equity.

11. Provisions for risks and charges

Provisions are defined as liabilities with uncertain timing or amount. Provisions for risks and charges are divided into:

- Provisions for risks and charges relating to commitments and guarantees issued. This sub-item includes provisions set aside for commitments to disburse funds and guarantees issued that fall within the scope of the impairment rules under IFRS 9. For such cases, the same methods are applied for allocation across the various stages of credit risk and for calculating the expected loss as previously set out in relation to financial assets measured at amortised cost;
- Pension funds and similar obligations. These funds are established in accordance with company agreements and are identified as “defined benefit plans”. The liability relating to these plans is determined on the basis of actuarial assumptions using 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 comprise other provisions relating to legal obligations or those connected with employment relationships or litigation, including tax disputes. A provision is recognised in the accounts if, and only if, there is a present obligation (legal or constructive) arising from 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 required to settle the obligation. The amount recognised as a provision represents the best estimate of the expenditure required to settle the obligation existing at the balance sheet date and reflects the risks and uncertainties that inevitably characterise a variety of facts and circumstances. The amount of the provision is the present value of the expenditure expected to be required to settle the obligation where the effect of the present value is material. 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, by way of derogation from IAS 37, stipulates that the acquirer must recognise, at the acquisition date, a contingent liability assumed in a business combination if it is a present obligation arising from past events and whose fair value can be reliably measured. Therefore, contrary to IAS 37, the acquirer recognises a contingent liability assumed in a business combination at the acquisition date even if it is unlikely that the settlement of the obligation will require the outflow of resources embodying economic benefits.

12. Financial liabilities measured at amortised cost

Classification criteria

Bank borrowings, borrowings from customers, securities in issue and other financial liabilities comprise the various forms of interbank and customer funding, as well as finance lease liabilities. In particular, the sub-item “Securities in issue” comprises securities issued (including subordinated loans, interest-bearing notes and certificates of deposit), net of securities repurchased.

Recognition criteria

These financial liabilities are initially recognised upon receipt of the funds raised or upon the issue of debt securities. Initial recognition is based on the fair value of the liabilities, which is usually equal to the amount received or the issue price, plus any additional costs or income directly attributable to the individual funding or issuance transaction and not reimbursed by the creditor. Internal administrative costs are excluded. The fair value of any financial liabilities issued on terms below market conditions, in the case of listed securities, is subject to a specific valuation, and the difference from the market value is recognised directly in the profit and loss account. With regard to lease liabilities, at the commencement of the lease term, the Bank measures the financial liability on the basis of the present value of future lease payments due. The payments are discounted using the implicit interest rate of the lease.

Valuation criteria

Following initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method. An exception to this is short-term liabilities, where the time dimension is negligible; these remain recognised at the amount received, and any costs incurred are charged to the profit and loss account on a straight-line basis over the contractual term of the liability.

Derecognition criteria

Financial liabilities are derecognised from the balance sheet when they have matured or been settled. They are also derecognised in the event of the repurchase of previously issued securities. The difference between the carrying amount of the liability and the amount paid to repurchase it is recognised in the profit and loss account. The resale of own securities on the market following their repurchase is treated as a new issue, recognised at the new issue price, with no effect on the profit and loss account.

Criteria for recognising income components

Negative income components, such as interest expense, are recognised on an accrual basis under the relevant interest items in the profit and loss account. Any difference between the repurchase value of own-issued securities and the corresponding carrying amount of the liability is recognised in the profit and loss account under the item 'Gains/losses on disposal or repurchase'.

13. Financial liabilities held for trading

Recognition criteria

These financial instruments are recognised on the subscription or issue date at a value equal to the fair value of the instrument, without taking into account any transaction costs or gains directly attributable to the instruments themselves. This category of liabilities includes trading derivative contracts with a negative fair value.

Measurement criteria

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

Derecognition Criteria

Financial liabilities held for trading are derecognised from the balance sheet when the contractual rights to the related cash flows expire or when the financial liability is sold with a substantial transfer of all the risks and rewards associated with ownership of the liability.

14. Financial liabilities designated at fair value

Financial liabilities measured in this way include those for which the so-called fair value option applies. The Bank has not designated any financial liabilities measured at fair value.

15. Foreign currency transactions

Classification criteria

Foreign currency transactions comprise all assets and liabilities denominated in currencies other than the euro.

Recognition criteria

Foreign currency transactions are recorded, on initial recognition, in euros, by applying the exchange rate in force on the transaction date to the foreign currency amount.

Valuation criteria

At the end of the financial year, monetary assets and liabilities denominated in foreign currencies are translated using the spot exchange rate prevailing on that date.

Recognition criteria for income components

Exchange differences arising from foreign currency transactions are recognised in item 80 of the income statement, 'Net profit ^{loss} from trading activities'.

Other information

Treasury shares

Any treasury shares held are deducted from equity. Similarly, their original cost and any gains or losses arising from their subsequent sale are recognised as movements in equity.

Accruals and deferrals

Accruals and deferrals, which relate to income and expenses for the financial year arising from assets and liabilities, are recognised as adjustments to the assets and liabilities to which they relate. Where there are no corresponding transactions to which they can be attributed, they are classified under "Other assets" or "Other liabilities".

Expenditure on improvements to third-party property

The costs of refurbishing properties not owned by the company are capitalised, given that, for the duration of the lease, the user company has control over the properties and can derive future economic benefits from them. These costs, classified under 'Other assets', are amortised over a period not exceeding the term of the lease.

Staff severance pay

Employee severance pay has been recognised on the basis of its actuarial value, calculated annually by an independent actuary. For the purposes of discounting, the projected unit credit method is used, which takes into account the projection of future payments based on historical and statistical analysis and demographic trends; the discount rate is a market interest rate. Contributions paid in each financial year are treated as separate units, recognised and measured individually for the purposes of determining the final liability. Following the reform of supplementary pension schemes under Legislative Decree No. 252 of 5 December 2005, the portions of severance pay accrued up to 31 December 2006 remain with the company, whilst portions accrued thereafter must, at the employee's discretion, be allocated to supplementary pension schemes or transferred to INPS. From the 2012 financial year onwards, changes in the actuarial components of severance pay are recognised in equity and are therefore shown in the statement of comprehensive income.

Issue of Additional Tier 1

As indicated in the section 'Capital adequacy and regulatory ratios' of the Management Report, the AT1 instruments issued as at 31 December 2025 amount to 40,000,000.00; there were no issues during the year 2025. The securities are perpetual and may be called by the issuer, subject to authorisation by the competent authority, on any redemption date from the fifth year following the issue date. The initial interest rate varies across the different issues and will be used to calculate the coupons paid during the first five years from the issue date. After this period, the interest rate will be recalculated on the basis of the 5-year EUR mid-swap rate recorded on the date of recalculation,

plus a margin as provided for in the terms and conditions of the individual loans. This interest rate will be used for payment dates falling within the subsequent 5 years. The Interest Rate will be recalculated every 5 years in accordance with the procedures described above. In line with 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; cancellation is, however, mandatory should certain conditions be met, 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 carried forward or payable at a later date. Furthermore, the terms of the loans in question provide that, upon the occurrence of a trigger event – that is, should the Common Equity Tier 1 (CET1) of Banca Cambiano 1884 (or the consolidated CET1) were to fall below the level of 5.125%, there would be – irrevocably and mandatorily – a write-down of capital (“Write-down”) in an amount necessary to restore the CET1 (of the Bank or the Group) to 5.125%. Subject to certain conditions, and at the issuer’s sole discretion, the capital previously written down may be reinstated (“Revaluation”). In this regard, it should be noted that the issuer retains the discretion to reinstate the capital previously written down even in the event of early redemption by the issuer. For accounting purposes, the issue in question has been treated as an “equity instrument” in accordance with the provisions of IAS 32. In the financial statements as at 31 December 2025, the proceeds received on issue are recognised in full under the equity heading “130 - Equity instruments”, as no transaction costs directly attributable to the loan were incurred that would need to be deducted, net of the tax effect, from the amount of the loan recognised in the financial statements under the aforementioned item 130. In line with the nature of the instrument, coupon payments are recognised as a reduction in 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 2025 was 2,197,500.00. The overall impact on equity as at 31 December 2025 (140. Reserves) was 7,937,500.00.

Profit and Loss Account

Revenue is measured at the fair value of the consideration received or due and is recognised when future benefits are received and such benefits can be reliably measured. Costs are recognised in the accounts when incurred. Costs that cannot be allocated to revenue are recognised immediately in the profit and loss account. In particular:

- costs and revenues directly attributable to financial instruments measured at amortised cost, and which can be determined at the outset regardless of when they are settled, are recognised in the profit and loss account using the effective interest rate;
- dividends are recognised in the profit and loss account when they are received;
- revenue arising from the brokerage of financial instruments held for trading, determined by the difference between the transaction price and the fair value of the instrument, is recognised in the profit and loss account at the time the transaction is recorded if the fair value can be determined by reference to recent observable parameters or transactions on the same market on which the instrument is traded;
- other commissions are recognised on an accrual basis.

Costs directly attributable to financial instruments measured at amortised cost and determinable from the outset, regardless of when they are settled, are recognised in the profit and loss account by applying the effective interest rate; for the definition of this rate, please refer to the section “Receivables and Loans”. Impairment losses are recognised in the profit and loss account in the financial year in which they are identified. Any contractual late-payment interest is recognised in the profit and loss account only upon actual receipt. Impairment losses are recognised in the profit and loss account in the financial year in which they are identified.

Criteria for the classification of financial assets

The classification of financial assets into the three categories set out in 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 cash flows of the financial assets (or SPPI Test). The classification of financial assets is determined by the combined application of the two criteria mentioned above, as outlined below:

- Financial assets measured at amortised cost: assets that pass the SPPI test and fall within the HTC business model;
- Financial assets measured at fair value through other comprehensive income (FVOCI): assets that pass the SPPI test and fall within the HTCS business model;
- Financial assets measured at fair value through profit or loss (FVTPL): this is a residual category comprising financial instruments that cannot be classified into the preceding categories based on the results of the business model test or the test on the characteristics of contractual cash flows (failure to pass the SPPI test). For a financial asset to be classified at amortised cost or at FVOCI, in addition to the business model analysis, the contractual terms of the asset must provide, on specified dates, for cash flows consisting solely of payments of principal and interest on the principal amount to be repaid (‘solely payment of principal and interest’ – SPPI). This analysis must be carried out, in particular, for loans and debt securities. The SPPI test must be performed on each individual financial instrument at the time of recognition in the financial statements. Following initial recognition, and for as long as it remains recognised in the financial statements, the asset is no longer subject to further assessments for the purposes of the SPPI test. Where a financial instrument is derecognised and a new financial asset is recognised, the SPPI test must be carried out on the new asset. For the purposes of applying the SPPI test, IFRS 9 provides the following definitions:
 - Principal: this is the fair value of the financial asset at the time of initial recognition. This value may change during the life of the financial instrument, for example as a result of partial repayments of principal;
 - Interest: this is the consideration for the time value of money and for the credit risk associated with the outstanding principal over a particular period of time. It may also include remuneration for other risks and

associated with the lending activity and a profit margin. When assessing whether the contractual cash flows of a financial asset can be classified as SPPI, IFRS 9 refers to the general concept of a 'basic lending arrangement', which is independent of the legal form of the asset. Where contractual terms introduce exposure to risks or volatility in contractual cash flows that is inconsistent with the definition of a basic lending arrangement – such as exposure to changes in share prices 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 establishment 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 on the financial asset is reset periodically, but the frequency of the reset or the frequency of coupon payments does not reflect the nature of the interest rate (for example, the interest rate is revised monthly on the basis of a one-year rate) or when the interest rate is reset periodically on the basis of an average of specific short- or medium-to-long-term rates, the entity must assess, using both quantitative and qualitative factors, whether the contractual cash flows still meet the definition of SPPI (the so-called benchmark cash flows test). If the test reveals that the contractual cash flows (undiscounted) are 'significantly different' from the cash flows (also undiscounted) of a benchmark instrument (i.e. without the adjusted time value element), the contractual cash flows cannot be considered to meet the definition of SPPI. For the purposes of carrying out the SPPI test, for debt securities transactions, Banca Cambiano 1884 S.p.A. utilises the services provided by external information providers. This approach, on the one hand, enables front-office staff dealing in securities to obtain an immediate result from the test, thereby streamlining procedures at the time of purchase; on the other hand, it allows the Bank to utilise market assumptions shared by numerous market participants and audit firms. Conversely, for carrying out the SPPI test as part of the credit approval processes, a proprietary tool has been developed based on an internally developed methodology for decision trees.

Business model

With regard to the business model, IFRS 9 identifies three scenarios relating to how cash flows and sales of financial assets are managed:

- Hold to Collect (HTC): this is a business model whose objective is achieved through the collection of contractual cash flows from the financial assets included in the associated portfolios. The inclusion of a portfolio of financial assets in this business model does not necessarily preclude the sale of the instruments, although it is necessary to consider the frequency, the value involved, the reasons for the sales and expectations regarding future sales;
- Hold to Collect and Sell (HTCS): this is a hybrid business model, the objective of which is achieved through the collection of contractual cash flows from the financial assets in the portfolio and also through sales activity, which forms an integral part of the strategy. Both activities (contractual cash flows and sales) are essential to achieving the business model's objective. Consequently, sales are more frequent and significant than under an HTC business model and form an integral part of the strategies pursued;
- Others/Trading: this is a residual category comprising both financial assets held for trading purposes and financial assets managed under a business model not falling within the previous categories (HTC and HTCS). In general, this classification applies to a portfolio of financial assets whose management and performance are assessed on a fair value basis. The business model reflects the ways 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 with the appropriate involvement of the business units. In essence, the business model:
 - reflects the way in which financial assets are managed to generate cash flows;
 - is defined by the bank's senior management, with the appropriate involvement of the business units;
 - must be observable by considering the manner in which financial assets are managed. In operational terms, the assessment and composition of the business model are carried out in line with the corporate organisation, the specialisation of business functions, the expected cascading risk model, and the allocation of delegated powers.

When assessing the business model, all relevant factors available at the date of the assessment are taken into account. The evidence referred to above includes strategy, risks and their management, reporting and sales figures. In the analysis of the business model, it is essential that the elements examined are consistent with one another and, in particular, consistent with the strategy being pursued. Evidence of activities 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 eligibility thresholds for sales that do not affect the classification (frequent but not significant, either individually or in aggregate, or infrequent even if of a significant amount) and, at the same time, has established parameters to identify sales consistent with this business model, as they are attributable to an increase in credit risk. More specifically, within an HTC business model, sales are permitted:

- in the event of an increase in credit risk – which can be determined for securities when there is a downgrade of a predetermined number of 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. Thresholds for frequency and significance have been defined to determine these aspects. With regard to the determination of 'Risks' under the HTCS and Other/Trading business models, the provisions of the Internal Finance Regulations and the RAF apply in principle when conducting market risk controls.

Methods for determining amortised cost

The amortised cost of a financial asset or liability is the amount at which it was measured on initial recognition, net of principal repayments, increased or decreased by the cumulative amortisation – calculated using the effective interest method – of the differences between the initial value and the value at maturity, and net of any impairment loss. The effective interest rate is the rate that equates the present value of a financial asset or liability to the contractual stream of future payments or receipts up to maturity or the next rate reset date. For fixed-rate or fixed-for-periods instruments, future cash flows are determined on the basis of the interest rate known over the life of the instrument. For variable-rate financial assets or liabilities, future cash flows are determined on the basis of the most recent known rate. At each repricing date, the amortisation schedule and the effective yield are recalculated over the entire useful life of the financial instrument, i.e. until the maturity date. The amortised cost method is applied to receivables, financial assets held to maturity, those available for sale, payables and shares in issue. Financial assets and liabilities traded on an arm's-length basis are initially recognised at their fair value, which normally corresponds to the amount paid or received, including transaction costs and directly attributable commissions. Transaction costs are defined as the marginal internal costs and income attributable to the initial recognition of the instrument and which cannot be recovered from customers. These ancillary components, which must be attributable to the individual asset or liability, affect the effective yield and cause the effective interest rate to differ from the contractual interest rate. Consequently, costs and income that relate indiscriminately to multiple transactions, and related components that may be recognised over the life of the financial instrument, are excluded. Furthermore, costs that the Bank would incur regardless of the transaction, such as administrative and stationery costs, etc., are not included in the calculation of the amortised cost.

Methods for determining impairment losses – Impairment losses on 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 employed valuation processes and methods characterised by elements of subjectivity and the estimation of certain variables, such as, principally, projected cash flows, expected recovery times and the estimated realisable value of collateral, where applicable, changes to which may result in a variation in the final recoverable amount; this determination was based on the information available at the measurement 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 assessed to determine whether there is any evidence to suggest that the carrying amount of such assets may not be fully recoverable. A similar analysis is also carried out for commitments to disburse funds and for guarantees issued that fall within the scope of impairment testing under IFRS 9. Where such evidence exists (so-called 'evidence of impairment'), the financial assets in question are considered impaired and are classified in Stage 3. In respect of these exposures, represented by financial assets classified, in accordance with the provisions of Bank of Italy Circular No. 262/2005, in the categories of non-performing loans, loans with probable defaults, and exposures past due for more than ninety days, value adjustments must be recognised equal to the expected losses relating to their entire remaining life. Positions classified in Stage 3 are categorised according to their risk status and are consequently subject to either analytical or flat-rate assessment. Value adjustments on exposures belonging to Stage 3 reflect the expected loss calculated over a time horizon equal to the entire duration of the relevant exposure. Impaired exposures that are not past due and are below a predetermined threshold, for which no objective evidence of loss has been identified, have been subject to a flat-rate assessment, which involves the statistical determination of the expected loss and, consequently, the related value adjustments for homogeneous categories of exposures (defined on the basis of the counterparty segment and the technical form). Analytical impairment testing, however, must still be carried out whenever objective events of deterioration are identified that require a detailed analysis. In particular, in relation to the concept of materiality referred to in the applicable accounting standards, past due and impaired exposures, as well as probable defaults individually below the materiality threshold of €300,000, have been subject to impairment using the flat-rate method. The valuation of exposures classified as non-performing is updated periodically to ensure that all events likely to affect the prospects of recovering the loans are promptly reflected in the accounts. The valuation of non-performing loans is carried out analytically, that is, on the basis of a detailed assessment of the recoverability of individual loan positions, taking into account all factors relevant to determining the expected recovery, such as, by way of example and without limitation:

- the nature of the receivable;
- the existence of security and/or personal guarantees; for the valuation of which, please refer to the specific sections set out below;
- the financial standing of the obligors and any co-obligors;
- the income situation of the obligors/any co-obligors;
- the existence of any settlement or restructuring agreements;
- the status of any ongoing legal proceedings (enforcement proceedings);
- the obligors' exposure to the banking system, the status of any overdrafts with the banking system, and any reports of non-performing loans;
- the debtors' exposure to other creditors;
- the results of the latest available financial statements;
- the legal status of the obligors and the existence of any collective and/or individual

insolvency proceedings. When determining any impairment loss, the Bank takes the following factors into account:

- the existence and type of security: loans secured by mortgage, loans secured by pledge, loans backed by personal guarantees, unsecured loans;

- the asset subject to the security interest: residential property, non-residential property, pledges of cash, securities, GPMs, receivables or goods;
- available valuation (court-appointed expert's report, valuation report issued by an independent expert, date of the valuation report);
- nature of the guarantor (banks or other entities);
- status of recovery (proceedings not yet initiated, out-of-court settlements, insolvency proceedings);
- amount brackets, for unsecured receivables.

The valuation of exposures classified as 'likely to default' is updated periodically to ensure the timely incorporation of all events that may alter the prospects for debt recovery, as well as to verify that the conditions for their transfer to the 'non-performing' category do not in fact exist.

For this category, value adjustments are made:

- on a case-by-case basis for positions exceeding €300,000;
- for positions at or below the €300,000 threshold, where no objective evidence of loss has been identified, using a flat-rate method based on homogeneous exposure types.

Probable defaults with a gross exposure exceeding €300,000 have been assessed on a case-by-case basis. The assessment is aimed at determining any expected losses, whilst bearing in mind that the positions are classified in this risk category on the basis of the Bank's judgement regarding the unlikelihood that, without recourse to measures such as the enforcement of guarantees, the debtor will fully meet its credit obligations; as is well known, this assessment must be carried out independently of whether any amounts (or instalments) are past due or not. Therefore, in the case of a position classified as 'probable default', the estimated realisable value of the receivable is determined by assessing the debtor's ability to meet its obligations, measured on the basis of all available information regarding the debtor's financial position and results of operations, as well as the value of any existing collateral securing the receivables. The recoverable amount is determined in accordance with the planned recovery strategy (distinguishing between 'going concern' and 'liquidation' scenarios), which reflects the overall level of risk, by assessing the ability to generate cash flows sufficient to repay the exposure and/or by simply enforcing the collateral. The assessment of the receivable is carried out by examining appropriate documentation which, by way of example and without being exhaustive, includes, insofar as it is relevant and applicable to the type of customer:

- the performance history of the relationship;
- the current and prospective economic and financial position of the counterparty, through an analysis of the latest available financial statements and forecast plans in the case of a legal entity;
- debt exposure to third parties and to the banking system (through analysis of reports from the CR and CRIF);
- any reports of non-performing loans from the banking system or other creditors, or ongoing debt restructuring plans;
- any documentation drawn up by third-party professionals or experts attesting, in various capacities and including in accordance with the law, to the reversibility of any crisis situation the customer may be facing, the suitability of the measures taken to overcome such a situation, and the assessment criteria used;
- the debtor's willingness to reach an agreement to settle any arrears or overdrafts or to renegotiate the debt;
- the duration for which the exposure remains classified as 'likely to default'. The expected loss estimates, prepared for each individual exposure, are based on a thorough and comprehensive examination of all the relevant factors that can be accurately derived from the available and accessible documentation.

For positions equal to or below the €300,000 threshold, for which no objective evidence of loss has been identified, the write-down is carried out using a flat-rate method for homogeneous types of exposure. The flat-rate valuation involves the statistical determination of the expected loss and, consequently, the related value adjustments. In particular, the write-down using the flat-rate 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 = Decay rate at the position's vintage, with a floor equal to the average fund vintage for the credit exposure segment (corporate/retail) following the introduction of a 3-year backstop;
- LGS = Loss Given Default on non-performing loans;
- EAD = the amount of loans classified as 'likely to default' at the reference date, broken down by segment (corporate/retail) and by technical classification.

Positions classified as past due, for which no objective evidence of loss has been identified, are valued using a flat-rate method for homogeneous exposure types. The flat-rate valuation involves the statistical determination of the expected loss and, consequently, the related value adjustments. In particular, the write-down using the flat-rate 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 = Decay rate at the position's vintage, with a floor equal to the average fund vintage for the credit exposure segment (corporate/retail) following the introduction of a 4-year backstop;
- LGS = Loss Given Default on non-performing loans;

- EAD = amount of loans classified as 'likely to default' at the reference date, broken down by segment (corporate/retail) and by technical classification.

Methods for determining impairment losses – Impairment losses on performing financial assets

As part of its policies for managing customer loan receivables, the Bank has adopted processes and procedures for monitoring the performance of loan accounts, which include, amongst other things, a comprehensive system for classifying credit positions into homogeneous risk categories, in accordance with sector regulations and internal provisions governing the rules for classification and transfer between the various risk categories.

For financial assets for which there is no evidence of impairment (non-impaired financial instruments), it is necessary, however, to assess whether there are any indicators suggesting that the credit risk of the individual transaction has increased significantly since the time of initial recognition. The consequences of this assessment, from the perspective of classification (or, more accurately, staging) and valuation, are as follows: - where such indicators exist, the financial asset is reclassified to Stage 2. In such cases, in accordance with international accounting standards and even in the absence of an obvious impairment, the valuation requires the recognition of impairment losses equal to the expected losses over the entire remaining life of the financial instrument. These adjustments are reviewed at each subsequent reporting date both to periodically verify their appropriateness in relation to constantly updated loss estimates, and to take account – should the indicators of 'significantly increased' credit risk cease to exist – of the changed forecast horizon for calculating the expected loss; - where such indicators do not exist, the financial asset is classified in Stage 1. In this case, in accordance with international accounting standards and even in the absence of an obvious impairment, the valuation requires the recognition of expected losses for the specific financial instrument over the following twelve months. These adjustments are reviewed at each subsequent balance sheet date both to periodically verify their appropriateness in relation to constantly updated loss estimates, and to take account – should indicators of a 'significantly increased' credit risk arise – of the changed forecast horizon for calculating the expected loss. With regard to the valuation of financial assets and, in particular, the identification of a 'significant increase' in credit risk (a necessary and sufficient condition for classifying the asset under valuation in Stage 2), the factors which – in accordance with the standard and its operational implementation by Banca Cambiano 1884 s.p.a. – constitute the main determinants to be taken into account are as follows:

- the change in the probability of default used for internal management purposes. This is, therefore, an assessment carried out using a 'relative' criterion. In accordance with the current framework of the Bank's internal rating system, Stage 2 includes:
 - performing exposures with a default risk of 1, 2, 3 or 4 at the initial recognition date, for which a final classification of at least 10 has been recorded;
 - performing exposures with a default risk of 5 or 6 at the initial recognition date, for which a 'jump' of 6 classes in the internal PD has been recorded;
 - performing exposures with a default risk of 7, 8, 9 or 10 at the initial recognition date for which a 'jump' of 5 classes in the internal PD has been recorded;
 - performing exposures with a default risk of 11 at the initial recognition date, for which a 'jump' of 4 classes in the internal PD has been recorded;
- the presence, where applicable, of a past-due exposure which – subject to the materiality thresholds identified by the regulations – has been past due for at least 30 days. In such cases, in other words, the credit risk of the exposure is presumed to be 'significantly increased' and, consequently, the exposure is 'moved' to Stage 2 (where the exposure was previously classified in Stage 1);
- the possible presence of forbearance measures, which – again on a presumptive basis – result in the classification of exposures among those whose credit risk is 'significantly increased' compared with the initial recording;
- finally, for the purposes of transition between 'stages', certain indicators from the credit monitoring systems specifically used are taken into account. In particular, this refers to so-called 'watch-list' positions, i.e. positions placed under observation due to individual signs of critical issues.

In the current system for determining corporate ratings for non-retail clients, the financial statement component is not included in the quantitative rating but is captured via a qualitative questionnaire.

The Risk Management Function has defined a process for the automatic classification into Stage 2 of counterparties in the portfolio that exhibit the following risk indicators linked to anomalies in financial statement data:

- Positions with EBITDA ≤ 0 in the most recent financial statements filed;
- Positions with equity < 0 in the most recent financial statements submitted.

The scope of application has been restricted to corporate counterparties (limited liability companies (Srl), public limited companies (Spa), joint-stock companies (Sapa), as well as cooperatives and any corresponding foreign entities), for which one of the two indicators mentioned above is present in the most recent annual financial statements submitted. Furthermore, all positions for which the most recent financial statements on file are more than three years old have been excluded. The criteria and the resulting classification are checked automatically during the monthly staging allocation process.

In order to adjust the value adjustments for positions included within the scope, the Bank modifies the rating class by assuming the minimum rating step required for classification into Stage 2 in accordance with the staging allocation criteria by rating, resulting in a corresponding change to the PD applied in the IFRS 9 model calculation.

Once the allocation of exposures to the various credit risk stages has been defined, the expected loss – which represents an estimate of credit losses, weighted by their probability of occurrence – is calculated over a 12-month time horizon for exposures classified in Stage 1, or over the entire expected remaining life of the financial instrument for exposures classified in Stage 2. A similar valuation model is therefore adopted for all loans classified in Stage 1 and Stage

2, the only distinguishing feature being the time horizon used to estimate expected loss. The valuation model takes the following risk factors into account:

- PD (Probability of Default) – the probability of default, a parameter representing the probability of a counterparty moving from a ‘performing’ status to a ‘default’ status within a one-year time horizon (Stage 1) or over the entire expected life of the financial instrument (Stage 2). The probability of default is calculated on the basis of parameters determined internally by Banca Cambiano, followed by the inclusion of appropriate adjustments to account for the effects of so-called forward-looking information relating to the relevant macroeconomic scenarios;
- LGD (Loss Given Default) – the loss rate in the event of default, a parameter expressing, as a percentage, the proportion of the loss (net of recoveries) relative to the amount of the exposure that has defaulted, determined 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 varies according to the type of exposure and maturity: exposures with a ‘deterministic’ amortisation schedule, where both cash flows and maturity are known, and ‘stochastic’ exposures, where cash flows and/or maturity are unknown. For exposures with a deterministic amortisation schedule, the EAD is defined using the amortisation schedule based on the evolution of contractual cash flows. Exposures with an unknown amortisation schedule (for example, non-installment-based exposures such as current accounts) are instead valued using an EAD calculated on the basis of appropriate modelling that takes into account both the so-called ‘on-balance-sheet’ value of the exposure and the ‘off-balance-sheet’ component, which is considered potentially risky given the possibility that the customer may increase their drawdowns. These exposures are valued with a maturity of 12 months, in line with the review period established by the Bank for these types of contractual relationships.

In determining expected losses, all reasonable and verifiable information available at the balance sheet date without undue cost or effort is taken into account. The information used must take into account 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 = Maturity of the relationship

$ECL(t_0)$ = Value adjustment calculated at the reporting date $MPD(t_i)$

= Marginal probability of default at t_i

$LGD(t_i)$ = LGD value at the t-th future time point

$EAD(t_i)$ = EAD value at the t-th future time point

$D(t_0, t_i)$ = Discount factor t_0 and t_i

n = remaining life of the relationship (maturity minus reporting date)

With regard to financial assets classified in Stage 1, the calculation formula is applied only up to a maximum time horizon of 1 year, or less if the duration of the financial instrument is less than 12 months. The time points

t_i specified in the formula are consistent with the frequency specified in the output of the multi-period EAD calculation or with the annual frequency, in the case of an amortisation schedule with a single repayment at maturity (so-called ‘bullet’ repayment). With regard to financial assets classified in Stage 2, the calculation formula is applied over a time horizon equivalent to the residual life of the instrument (lifetime). The time points t_i are always consistent with the frequency specified in 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 the 1-year ECL and the lifetime ECL are calculated for each relationship using the multi-period PD, LGD and EAD metrics described previously in the application of the formula, taking into account all payment due dates up to:

- A one-year time horizon from the reporting date for the calculation of 1-year ECL (in the case of a duration of less than 12 months, the remaining contractual term will be taken into account);
- The maturity date of the individual relationship for the calculation of lifetime ECL (where the duration is less than 12 months, the remaining contractual term will be taken into account).

Accounting treatment of tax credits relating to the “Cura Italia” and “Rilancio” Decree-Laws acquired following their transfer by direct beneficiaries or previous purchasers. Approach used for the accounting treatment of acquired tax credits (tax bonuses).

Decree-Laws No. 18/2020 (known as ‘Cura Italia’) and No. 34/2020 (known as the “Rilancio” Decree-Law) introduced tax incentive measures into Italian law relating both to investment expenditure (e.g. eco and earthquake bonuses) and to current expenditure (e.g. rent for non-residential premises). Furthermore, the Government has intervened on this matter once again through Decree-Law No. 50/2022 (the so-called “Aid Decree”), primarily by redefining the scope of potential assignees, and through Decree-Law No. 11/2023, which established – albeit with certain exceptions – a prohibition on opting, in lieu of directly claiming the deduction, for an invoice discount or the assignment of the tax credit. These tax incentives apply to households or businesses, are calculated as a percentage of the expenditure incurred (which in some cases reaches as high as 110 per cent) and are provided in the form of tax credits or tax deductions (which may be converted into tax credits upon election). The main characteristics of these tax credits are: i) the possibility of using them to offset other liabilities; ii) their transferability to third-party purchasers; and iii) their non-refundability by the tax authorities. The accounting treatment of tax credits purchased from a third party (the assignee of the

tax credit) is not covered by any specific international accounting standard. IAS 8 provides that, in cases where a situation is not explicitly addressed by an IAS/IFRS standard, management must define an accounting policy suitable for ensuring relevant and reliable disclosure of such transactions. To this end, the Bank, taking into account the guidance provided by the Authorities in the document “Accounting treatment of tax credits relating to the ‘Cura Italia’ and ‘Rilancio’ Decree-Laws acquired following their transfer by direct beneficiaries or previous purchasers”, published on 5 January 2021 by the Coordination Committee comprising the Bank of Italy, Consob and IVASS regarding the application of IAS/IFRS, has adopted an accounting policy that refers to the accounting framework set out in IFRS 9, applying by analogy those provisions compatible with the characteristics of the transaction. The Bank classifies these receivables under ‘Other Assets’ and allocates:

- to a ‘Hold to Collect’ business model those receivables purchased within the limits of its tax capacity, with the aim of holding them and using them for future offsetting. These receivables are recognised at amortised cost, with the remuneration recognised on a pro rata temporis basis in net interest income over the recovery period;
- receivables purchased for trading purposes under an ‘Other’ business model, which occurs when purchases exceed the Bank’s tax capacity and related agreements for new disposals are entered into. These receivables are measured at fair value through profit or loss. However, the average holding period of receivables in the portfolio is limited to the period strictly necessary for their subsequent disposal.

Presentation in the financial statements and disclosures to be provided in periodic financial reports.

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

With regard to the presentation, in the income statement and/or the statement of comprehensive income, of income and expenses arising from the purchase and use of tax credits, this will reflect the management approach 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 losses, gains/losses on disposal), in accordance with paragraphs 82 and 82A of IAS 1 “Presentation of Financial Statements”.

A.3 – Disclosure on transfers between portfolios of financial assets

A.3.1 Reclassified financial assets: change in business model, carrying amount and interest income (thousands)

As at 31 December 2025, there were no reclassified financial assets.

A.3.2 Reclassified financial assets: change in business model, fair value and effects on comprehensive income (thousands)

As at 31 December 2025, there were no reclassified financial assets.

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

As at 31 December 2025, there were no reclassified financial assets.

A.4 - Disclosure on fair value

IFRS 13 stipulates that assets and liabilities measured at fair value on a recurring basis are those for which IAS/IFRS require or permit measurement at fair value 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 measurement at fair value in the financial statements under specific circumstances. In order to improve the transparency of disclosures in the financial statements relating to fair value measurement, the IASB has 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 adopted, by Regulation (EU) No 1255/2012, the new IFRS 13 ‘Fair Value Measurement’, which came into force on 1 January 2013. IFRS 13 defines fair value as: “the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date”. This definition of fair value for financial instruments replaces the previous version in IAS 39. In the case of financial liabilities, the new definition of fair value set out in IFRS 13 therefore requires that fair value be identified as the amount that would be paid to transfer the liability (exit price), rather than the amount required to settle the liability (the definition set out in IAS 39). This results in a greater emphasis on the recognition of fair value adjustments to financial liabilities – other than derivatives – attributable to the issuer’s creditworthiness (Own Credit Adjustment – OCA), compared with the provisions previously set out in IAS 39. In particular, with regard to determining the fair value of OTC derivatives on the balance sheet, IFRS 13 has confirmed the rule of applying the adjustment relating to counterparty risk (Credit Valuation Adjustment – CVA). With regard to financial liabilities represented by OTC derivatives, IFRS 13 introduces the so-called Debt Valuation Adjustment (DVA), i.e. a fair value adjustment designed to reflect the issuer’s own default risk on such instruments, an issue not explicitly addressed by IAS 39. The fair value of investments listed on active markets is determined by reference to market prices recorded on the last reporting day of the financial year. In the case of financial instruments listed on active markets, the determination of fair value is based on prices from the relevant active market, which may also be obtained from international data providers, and recorded on the last reporting day of the financial year. A market is defined as active if the prices reflect normal market transactions, are readily and regularly available, and represent the price of actual and regular market transactions. Where the same financial instrument is listed on more than one market, the price to be considered is that on the most favourable market to which the company has access. In the case

unlisted financial instruments, fair value is determined by applying valuation techniques aimed at establishing the price the instrument would have commanded on the market at the valuation date in a free transaction motivated by normal commercial considerations. Fair value is determined using the following techniques: reference to recent market transactions, reference to the price of financial instruments with the same characteristics as the one being valued, and quantitative methods. In particular, for unlisted bonds, models are applied to discount expected future cash flows, using interest rate structures that take appropriate account of the issuer's sector of activity and credit rating, where available. In the case of unit trusts not traded on active markets, fair value is determined on the basis of the published Net Asset Value, adjusted where necessary to take account of any changes in value occurring between the date of the redemption request and the actual redemption date. Equity securities not traded on an active market, for which fair value cannot be reliably determined using generally accepted methods, are measured at cost, adjusted to take account of any significant impairment. For loans and demand deposits/deposits subject to withdrawal, it is assumed that the contractual obligations fall due immediately and coincide with the balance sheet date; consequently, their fair value is approximated by their carrying amount. Similarly, for short-term loans, the carrying amount is used. For medium- to long-term loans to customers, fair value is determined using valuation techniques that discount the residual contractual cash flows at effective interest rates, appropriately adjusted to take account of the creditworthiness of individual borrowers (represented by the probability of default and the estimated loss given default). For impaired assets, the carrying amount is considered an approximation of fair value. For medium- to long-term debt represented by securities measured at amortised cost and subject to interest rate hedging, the carrying amount is adjusted for the effect of the hedge to the fair value attributable to the hedged risk by discounting the relevant cash flows. For derivative contracts traded on regulated markets, the fair value is taken to be the market price on the last trading day of the financial year. Over-the-counter derivative contracts are valued using a variety of models, depending on the input factors affecting their valuation and taking into account adjustments for counterparty risk. The Bank does not calculate or recognise fair value adjustments for derivatives in respect of CVA and DVA where collateralisation agreements for derivative positions have been formalised and put into effect, provided they have the following characteristics:

- frequent bilateral exchange of collateral (daily or, at most, several times a week);
- collateral in the form of cash or government securities of high liquidity and credit quality, subject to an appropriate prudential haircut;
- the absence of a threshold for the fair value of the derivative below which no exchange of collateral is required, or the setting of such a threshold at a level adequate to allow for 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 no adjustment is made to the collateralisation of positions, contractually set at a level that allows for substantial mitigation of counterparty risk.

All hedging derivatives outstanding at the balance sheet date are fully collateralised.

A.4.2 Valuation processes and sensitivities

As at 31 December 2025, there were no assets classified at level two of the fair value hierarchy. Financial assets relating to equity securities 'measured at cost' associated with strategic equity interests, for which fair value cannot be reliably determined or verified, are conventionally classified at level three of the fair value hierarchy.

A.4.3 Fair value hierarchy

The fair value hierarchy, as set out in IFRS 13, must be applied to all financial instruments for which fair value measurement is recognised in the balance sheet. In this regard, for such instruments, the highest priority is given to official prices available on active markets, and lower priority to the use of unobservable inputs, as these are more discretionary. Consequently, fair value is determined using prices obtained from financial markets, in the case of instruments listed on active markets, or, for other financial instruments, by using valuation techniques designed to estimate fair value. The levels used for the classifications set out below in these explanatory notes are as follows:

- "Level 1": the fair value of financial instruments is determined on the basis of observable quoted prices in active markets (unadjusted) available at the valuation date;
- "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, including the use of valuation techniques;
- "Level 3": the fair value of financial instruments is determined on the basis of non-observable inputs for the asset or liability, including the use of valuation techniques.

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

A.4.4 Further information

No further information is provided.

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 hierarchy.

Financial assets/liabilities measured at fair value	31 December 2025			31 December 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets measured at fair value through profit or loss	73,759	0	152,437	91,634	0	135,828
a) financial assets held for trading	73,759	0	484	91,634	0	422
b) financial assets designated at fair value	0	0	0	0	0	0
c) financial assets that must be measured at fair value	0	0	151,953	0	0	135,407
2. Financial assets measured at fair value through profit or loss	70,631	0	11,231	159,521	0	13,649
3. Hedging derivatives	0	0	0	0	0	0
4. Tangible assets	0	0	0	0	0	0
5. Intangible assets	0	0	0	0	0	0
Total	144.360	0	163,668	251,154	0	146.477
1. Financial liabilities held for trading	0	0	4,340	0	0	420
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	4,340	0	0	420

Key:

Level 1 = Fair value of a financial instrument quoted on an active market;

Level 2 = Fair value measured using valuation techniques that take into account observable market inputs other than the financial instrument's quoted prices;

Level 3 = Fair value calculated using valuation techniques that refer to parameters not observable on the market.

Instruments measured at Level 3 fair value mainly comprise financial assets that must be measured at fair value, amounting to €152.0 million as at 31 December 2025. Specifically, this item consists of units in UCITS, primarily AIFs, and loans to customers that do not pass the SPPI test.

A.4.5.2 Year-on-year changes in assets measured at fair value on a recurring basis (Level 3)

	Total	Financial assets measured at fair value with impact on profit or loss			Financial assets measured at fair value through comprehensive income	Hedging derivatives	Tangible assets	Intangible assets
		of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) financial assets required to be measured at fair value				
1. Opening balance	146.477	422	0	135,407	13.649	0	0	0
2. Increases								
2.1. Purchases	23,701	484	0	20,718	2,500	0	0	0
2.2. Profits allocated to:								
2.2.1. Profit and Loss Account	2,165	0	0	2,165	0	0	0	0
- of which capital gains	2,165	0	0	2,165	0	0	0	0
2.2.2. Equity	50	X	X	X	50	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. Disposals								
3.1. Sales	11,725	422	0	6,336	4,968	0	0	0
3.2. Refunds	0	0	0	0	0	0	0	0
3.3. Losses charged to:								
3.3.1. Profit and Loss Account	0	0	0	0	0	0	0	0
- of which capital losses	0	0	0	0	0	0	0	0
3.3.2. Equity	0	X	X	X	0	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 stock	163,668	484	0	151,653	11,231	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 trading	Financial liabilities designated at fair value	Hedging hedging
1. Opening balance	420	0	0
2. Increases			
2.1. Issues	484	0	0
2.2. Losses charged to:			
2.2.1. Profit and Loss Account	3,856	0	0
- of which capital losses	3,856	0	0
2.2.2. Shareholders' equity	X	0	0
2.3. Transfers from other levels	0	0	0
2.4. Other increases	0	0	0
3. Reductions			
3.1. Refunds	420	0	0

	Financial liabilities held for trading	Financial liabilities designated at fair value	Hedging hedging
3.2. Buybacks	0	0	0
3.3. Losses charged to:			
3.3.1. Profit and Loss Account	0	0	0
- of which capital gains	0	0	0
3.3.2. Equity	X	0	0
3.4. Transfer to other levels	0	0	0
3.5. Other decreases	0	0	0
4. Closing stock	4,340	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 hierarchy

Assets/Liabilities not measured at fair value or measured at fair value on a non-recurring basis	31 December 2025				31/12/2024			
	VB	L1	L2	L3	VB	L1	L2	L3
1. Financial assets measured at amortised cost	3,543,986	653,236	0	2,890,750	3,578,086	619,623	0	2,958,462
2. Tangible assets held for investment purposes	0	0	0	0	0	0	0	0
3. Non-current assets and disposal groups	0	0	0	0	0	0	0	0
Total	3,543.686	653,236	0	2.860.750	3,578,086	616.623	0	2.658,462
1. Financial liabilities measured at amortised cost	3,871,085	0	0	3,871,085	3,997,334	0	0	3,997,334
2. Liabilities associated with assets held for disposal	0	0	0	0	0	0	0	0
Total	3,871,085	0	0	3,871,085	3,667,334	0	0	3.667.334

Key: VB = Carrying amount - L1 = Level 1 - L2 = Level 2 - L3 = Level 3

A.5 - Disclosure regarding 'day one profit/loss'

The Bank has no transactions for which, upon initial recognition of financial instruments not listed on active markets, such a component relating to the so-called "day one profit/loss" has been recognised. Consequently, the disclosure required by IFRS 7, paragraph 28, is not provided.

PART B – Information on the balance sheet

ASSETS

Section 1 – Cash and cash equivalents – Item 10

1.1 Cash and cash equivalents: breakdown

Items	31/12/2025	31/12/2024	Change	% change
a) Cash	14,797	15,241	-444	-2.91%
b) Current accounts and demand deposits with central banks	57,000	78,000	-21,000	
c) Current accounts and demand deposits with banks	64,567	37,895	26,672	70.39%
Total	136,364	131,136	5,228	3.66%

Notes:

The item 'Unrestricted deposits with central banks' does not include the reserve requirement, which is shown under asset item 40(a) 'Financial assets measured at amortised cost (a) loans to banks'.

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

2.1 Financial assets held for trading: breakdown by type

Items/values	31/12/2025			31/12/2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. Cash assets						
1 Debt securities	66,736	0	0	86,043	0	0
1.1 Structured securities	0	0	0	0	0	0
1.2 Other debt securities	66,736	0	0	86,043	0	0
2 Equity securities	7,024	0	0	5,027	0	0
3 O.I.C.R. units	0	0	0	564	0	0
4 Loans	0	0	0	0	0	0
4.1 Repurchase agreements	0	0	0	0	0	0
4.2 Other	0	0	0	0	0	0
Total A	73.75G	0	0	G1.634	0	0
B. Derivative instruments						
1 Financial derivatives:	0	0	484	0	0	422
1.1 trading	0	0	484	0	0	422
1.2 relating to the fair value option	0	0	0	0	0	0
1.3 Other	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 relating to the fair value option	0	0	0	0	0	0
2.3 others	0	0	0	0	0	0
Total B	0	0	484	0	0	422
Total (A+B)	73.75G	0	484	G1,634	0	422

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

Items/values	31/12/2025	31/12/2024	Change	% change
A. CASH ASSETS				
1. Debt securities	66,736	86,043	-1G,308	-22.44%
a) Central banks	0	0	0	0.00%
b) Public sector	64,124	67,217	-3,093	-4.60%
c) Banks	2,612	13,312	-10,700	-80.38%
d) Other financial companies	0	2,488	-2,488	-100.00%
of which: insurance companies	0	1,039	-1,039	-100.00%
(e) Non-financial companies	0	3,026	-3,026	-100.00%
2 Equity securities	7,024	5,027	1.0G5	3G.72%
a) Banks	636	456	180	39.48%
b) Other financial companies	2,038	943	1,095	116.11%
of which: insurance companies	421	607	-186	-30.70%

Items/values	31 December 2025	31/12/2024	Change	% change
c) Non-financial companies	4,350	3,628	722	19.89%
d) Other issuers	0	0	0	0.00%
3 Units in UCITS	0	564	-564	-100.00%
4 Loans	0	0	0	0.00%
a) Central Banks	0	0	0	0.00%
b) Public sector	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) Households	0	0	0	0.00%
Total (A)	73.75G	G1.634	-17.875	-1G.51%
B DERIVATIVE INSTRUMENTS				
a) Central counterparties	0	0	0	0.00%
b) Others	484	422	62	14.69%
Total (B)	484	422	62	14.69%
Total (A+B)	74,243	G2,055	-17,813	-1G.35%

2.3 Financial assets designated at fair value: breakdown by type

Items/values	31/12/2025			31/12/2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
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 Loans	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

2.4 Financial assets designated at fair value: breakdown by debtors/issuers/counterparties

Items/values	31/12/2025	31/12/2024	Change	% change
1. Debt securities	0	0	0	0.00%
a) Central banks	0	0	0	0.00%
b) Public sector	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%
4 Loans	0	0	0	0.00%
a) Central Banks	0	0	0	0.00%
b) Public sector	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) Households	0	0	0	0.00%
Total	0	0	0	0.00%

2.5 Financial assets required to be measured at fair value: breakdown by type

Items/values	31/12/2025			31/12/2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1 Debt securities	0	0	2,316	0	0	3,426

Items/values	31 December 2025			31/12/2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1.1 Structured products	0	0	0	0	0	0
1.2 Other debt securities	0	0	2,316	0	0	3,426
2 Equity securities	0	0	0	0	0	0
3 O.I.C.R. units	0	0	35,379	0	0	36,402
4 Loans	0	0	114,258	0	0	95,579
4.1 Repurchase agreements	0	0	0	0	0	0
4.2 Other	0	0	114,258	0	0	95,579
Total	0	0	151.653	0	0	135,407

2.6 Financial assets mandatorily measured at fair value: breakdown by debtors/issuers

Items/values	31/12/2025	31/12/2024
1 Equity 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	2,316	3,426
a) Central banks	0	0
b) Public sector	0	0
c) Banks	0	1,051
d) Other financial companies	298	282
of which: insurance companies	0	0
e) Non-financial companies	2,019	2,093
3 Units in UCITS	35.37G	36,402
2 Loans	114,258	G5.57G
a) Central banks	0	0
b) General government	0	0
c) Banks	0	0
d) Other financial companies	1,054	1,030
of which: insurance companies	1,054	1,030
(e) Non-financial companies	112,245	93,078
f) Households	959	1,470
Total	151.653	135,407

Section 3 – Financial assets measured at fair value through other comprehensive income – Item 30

3.1 Financial assets measured at fair value through other comprehensive income: breakdown by type

Items/values	Total 31/12/2025			Total 31/12/2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	69,664	0	0	158,765	0	0
1.1 Structured securities	0	0	0	0	0	0
1.2 Other debt securities	69,664	0	0	158,765	0	0
2. Equity securities	967	0	11,231	756	0	13,649
3. Loans	0	0	0	0	0	0
Total	70,631	0	11,231	159,521	0	13,649

3.2 Financial assets measured at fair value through other comprehensive income: breakdown by debtors/issuers

Items/amounts	Total 31/12/2025	Total 31/12/2024	Change	% change
1. Debt securities	69,664	158,765	-89.101	-56.12%
a) Central banks	0	0	0	0.00%
b) Public sector	69,664	153,961	-84,297	-54.75%

Items/values	Total 31/12/2025	Total 31/12/2024	Change	% change
c) Banks	0	4,804	-4,804	-100.00%
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%
			0	0.00%
2. Equity securities	12.1G8	14,405	-2,207	-15.32%
a) Banks	10,000	7,500	2,500	33.33%
b) Other issuers:	2,198	6,905	-4,707	-68.17%
- other financial companies	526	486	0	0.00%
of which: insurance companies	0	0	0	0.00%
- non-financial companies	1,672	6,419	-4,747	-73.96%
- other	0	0	0	0.00%
3. Loans	0	0	0	0.00%
a) Central banks	0	0	0	0.00%
b) Public sector	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) Households	0	0	0	0.00%
Total	81,862	173,170	-G1,308	-52.73%

3.3 Financial assets measured at fair value through other comprehensive income: gross value and total value adjustments

	Gross value					Total value adjustments				Total partial write-offs
	Stage 1	of which: Instruments with a low credit risk credit	Stage 2	Stage 3	of which: Impaired assets acquired or originated	Stage 1	Stage 2	Third stage	of which: Acquired or originated impaired	
Debt securities	69,677	69,677	0	0	0	13	0	0	0	0
Funding	0	0	0	0	0	0	0	0	0	0
Total 31/12/2025	6G.677	6G.677	0	0	0	13	0	0	0	0
Total 31/12/2024	158,805	158,805	0	0	0	40	0	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 by type

Type of transaction / Amounts	Total 31/12/2025						Total 31/12/2024					
	Carrying amount			Fair value			Carrying amount			Fair value		
	Stage 1 and 2	Stage 3	of which: impaired acquired or originated	Level 1	Level 2	Level 3	First and second stage	Third stage	of which: acquired or originated	Level 1	Level 2	Level 3
A. Loans to central banks Central	23,199	0	0	0	0	23,199	28,094	0	0	0	0	28,094
1. Term deposits	0	0	0	X	X	X	0			X	X	X
2. Compulsory reserve	23,199	0	0	X	X	X	28,094			X	X	X
3. Repurchase agreements	0	0	0	X	X	X	0			X	X	X
4. Other	0	0	0	X	X	X	0			X	X	X
B. Loans and advances to banks	53,055	0	0	0	0	53,055	122,917			2,737	0	120,180
1. Loans	53,055	0	0	0	0	53,055	120,180			0	0	120,180
1.1. Current accounts	0	0	0	X	X	X	0			X	X	X

Type of transaction / Amounts	Total as at 31 December 2025						Total 31/12/2024					
	Carrying amount			Fair value			Carrying amount			Fair value		
	Stage 1 and 2	Stage 3	of which: impaired acquired or originated	Level 1	Level 2	Level 3	First and second stage	Third stage	of which: acquired or originated	Level 1	Level 2	Level 3
1.2. Term deposits	53,055	0	0	X	X	X	50,073			X	X	X
1.3. Other Funding:	0	0	0	X	X	X	70,107			X	X	X
- Repurchase agreements assets	0	0	0	X	X	X	70,107			X	X	X
- Loans for leasing	0	0	0	X	X	X	0			X	X	X
- Other	0	0	0	X	X	X	0			X	X	X
2. Debt securities	0	0	0	0	0	0	2,737			2,737	0	0
2.1 Structured securities	0	0	0	0	0	0	0			0	0	0
2.2 Other debt securities	0	0	0	0	0	0	2,737			2,737	0	0
Total	76,254	0	0	0	0	76,254	151,012	0	0	2,737	0	148,275

4.2 Financial assets measured at amortised cost: breakdown of loans and advances to customers by type

Type of transaction/amounts	Total 31/12/2025							Total 31/12/2024						
	Carrying amount				Fair value			Carrying amount				Fair value		
	Stage 1 and 2	Stage 3	impaired, acquired or originated	Total	Level 1	Level 2	Level 3	First and second stage	Stage 3	of which: acquired or originated impaired	Total	Level 1	Level 2	Level 3
1. Loans	2.6G6,886	111,866	5,744	2,814,496	-	-	2,764,740	2.6G3.8G0	113.54G	2.74G	2,810,188	-	-	2,768,445,046
1.1. Current accounts	575,220	6,977	4,956	587,153	X	X	X	579,127	13,482	985	593,594	X	X	X
1.2. Repurchase agreements	-	-	-	-	X	X	X	-	-	-	-	X	X	X
1.3. Mortgages	1,337,307	52,681	620	1,390,607	X	X	X	1,332,685	55,738	452	1,388,874	X	X	X
1.4. Credit cards, personal loans and salary-backed loans	16,427	465	1	16,893	X	X	X	17,601	272	33	17,907	X	X	X
1.5. Finance leases	-	-	-	-	X	X	X	-	-	-	-	X	X	X
1.6. Factoring	-	-	-	-	X	X	X	-	-	-	-	X	X	X
1.7. Other funding	767,932	51,743	167	819,843	X	X	X	764,477	44,056	1,279	809,813	X	X	X
2. Debt securities	653,236	-	-	653,236	627,624	-	-	616,886	-	-	616,886	5G1,061	-	-
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt debt	653,236	-	-	653,236	627,624	-	-	616,886	-	-	616,886	591,061	-	-
Total (balance sheet value)	3,350,122	111,866	5,744	3,467,732	627,624	-	2,764,740	3,310,776	113.54G	2.74G	3,427,074	5G1,061	-	2,768,445

4.3 Financial assets measured at amortised cost: breakdown by debtors/issuers of loans and advances to customers

Type of transaction/Amounts	Total 31/12/2025			Total 31/12/2024		
	First and second stages	Stage 3	Acquired or originated impaired loans	Stage 1 and 2	Stage 3	Acquired or originated impaired assets
1. Debt securities	653,236	0	0	616,886	0	0
a) General government	653,236	0	0	616,886	0	0
b) Other financial companies	0	0	0	0	0	0
of which: insurance companies	0	0	0	0	0	0
c) Non-financial companies	0	0	0	0	0	0
2. Loans to:	2.6G6,886	111,866	5,744	2.6G3.8G0	113.54G	2.74G
a) General government	1,086	0	0	1,414	0	0
b) Other financial companies	350,400	1,240	0	332,482	1,796	0
of which: insurance companies	29,697	0	0	25,941	0	0
c) Non-financial companies	1,108,393	79,898	4,967	1,123,767	77,423	2,186
d) Households	1,237,007	30,729	777	1,236,227	34,330	563
Total	3,350,122	111,866	5,744	3,310,776	113.54G	2.74G

4.4 Financial assets measured at amortised cost: gross value and total value adjustments

	Gross value					Total value adjustments				Total partial write-offs
	Stage 1	of which: Instrument s with a low credit risk credit	Stage 2	Stage 3	Acquired or originated impaired assets	Stage 1	Stage 2	Third stage	Acquired or primary impairment	
Debt securities	653,432	653,432	0	0	0	196	0	0	0	0
Loans	2,465,297	2,465,256	327,819	216,120	9,089	7,356	12,620	104,254	3,346	1,200
Total 31 December 2025	3,118.72G	3,118,688	327.81G	216,120	G.08G	7,552	12,620	104,254	3,346	1,200
Total 31 December 2024	3.1G1.27G	3,164,820	287,088	201.G51	4,788	7,770	8,810	88,403	2.03G	1,200

Notes: the 'Loans' item includes exposures subject to Covid-19 support measures, in the form of 'New loans', totalling €169.73 million, of which €146.88 million are performing and €22.86 million are non-performing. Total value adjustments amount to €5.76 million, of which €4.70 million relate to non-performing positions.

Section 5 – Hedging derivatives – Item 50

5.1 Hedging derivatives: breakdown by type of hedge and by level

Items	Fair value at 31/12/2025			Notional value 31/12/2025	Fair value 31/12/2024			Notional value 31/12/2024
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A. Financial derivatives	0	0	0	0	0	0	0	0
1) Fair value	0	0	0	0	0	0	0	0
2) Cash flows	0	0	0	0	0	0	0	0
3) Foreign investments	0	0	0	0	0	0	0	0
B. Credit derivatives	0	0	0	0	0	0	0	0
1) Fair value	0	0	0	0	0	0	0	0
2) Cash flows	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0

Notes: The table shows the positive fair value of hedging derivative contracts. The accounting model used is the 'Fair Value Hedge'. A series of bonds issued by the Bank were hedged, through the application of hedge accounting, in order to hedge the associated interest rate risk.

5.2 Hedging derivatives: breakdown by hedged portfolios and type of hedge

Transactions/Type of hedge	Fair Value							Cash flows		Foreign investments
	Specification						Generic	Specific	Generic	
	Debt securities and interest rates	Equity securities and share indices Currencies and gold	Currencies and gold	Credit	Commodities	Other				
1. Financial assets measured at fair value through profit or loss comprehensive	0	0	0	0	X	X	X	0	X	X
2. Financial assets measured at amortised cost	0	X	0	0	X	X	X	0	X	X
3. Portfolio	X	X	X	X	X	X	0	X	0	X
4. Other transactions	0	0	0	0	0	0	X	0	X	0
Total assets	0	0	0	0	0	0	0	0	0	0
1. Financial liabilities	0	X	0	0	0	0	X	0	X	X
2. Portfolio	X	X	X	X	X	X	0	X	0	X
Total liabilities	0	0	0	0	0	0	0	0	0	0
1. Expected transactions	X	X	X	X	X	X	X	0	X	X
2. Portfolio of financial assets and liabilities financial	X	X	X	X	X	X	0	X	0	0

Section 7 – Equity investments – Item 70

7.1 Investments in subsidiaries, jointly controlled entities or entities subject to significant influence: information on equity interests

Company names	Registered office	Operational headquarters	% shareholding	Voting rights %
A. Wholly-owned subsidiaries				
1. Cambiano Leasing s.p.a.	Empoli	Empoli	G5.00%	G5.00%
2. Immobiliare 1884 s.r.l.	Florence	Empoli	100.00%	100.00%
3. C. H. s.p.a.	Empoli	Empoli	4G, 60%	4G, 60%
B. Jointly controlled companies				
C. Entities subject to significant influence				

7.2 Significant shareholdings: carrying amount, fair value and dividends received

Names	Carrying amount	Fair value	Dividends received
A. Wholly-owned subsidiaries	47,308	47,308	0
1. Cambiano Leasing S.p.A.	18,739	18,739	0
2. Immobiliare 1884 s.r.l.	13,500	13,500	0
3. C. H. s.p.a.	15,068	15,068	0
B. Jointly controlled companies	0	0	0
C. Entities subject to significant influence	0	0	0
Totals	47,308	47,308	0

Notes:

The fair value of investments in wholly-owned subsidiaries and companies subject to significant influence corresponds to their carrying amount, as none of these companies is listed.

7.3 Significant shareholdings: accounting information

Company names	Cash and cash equivalents liquid	Financial assets	Non-financial assets	Financial liabilities	Non-financial liabilities	Total revenue	Interest margin
A. Wholly-owned subsidiaries 4,742	4,742	316,182	46.70G	285,851	11,587	17.0G7	5,647
1. Cambiano Leasing S.p.A.	281	301,147	6,318	270,159	10,717	15,770	5,653
2. Immobiliare 1884 s.r.l.	961	2,595	25,864	15,686	161	655	-67
3. C. H. s.p.a.	3,500	12,441	14,527	6	709	672	61
B. Jointly controlled entities jointly	0	0	0	0	0	0	0
C. Companies subject to significant influence	0	0	0	0	0	0	0
Totals	4,742	316,182	46.70G	285,851	11,587	17.0G7	5,647

Descriptions	Depreciation and write-downs on tangible and intangible assets	Profit (loss) from continuing operations before tax	Profit (loss) from continuing operations, net of tax	Profit (loss) from disposal groups, net of tax	Profit (loss) for the year (1)	Other comprehensive income net of tax (2)	Total comprehensive income (3) = (1) + (2)
A. Wholly-owned subsidiaries 21G	21G	3.GG4	3,017	0	3,017	0	3,017
1. Cambiano Leasing S.p.A.	124	2,662	1,712	0	1,712	0	1,712
2. Immobiliare 1884 s.r.l.	408	46	19	0	19	0	19
3. C. H. s.p.a.	-312	1,286	1,286	0	1,286	0	1,286
B. Jointly controlled subsidiaries jointly	0	0	0	0	0	0	0
C. Companies subject to significant influence significant	0	0	0	0	0	0	0
Totals	21G	3.GG4	3,017	0	3,017	0	3,017

Notes:

The companies listed above carry out activities that are instrumental to, and provide ancillary services for, the Bank's operations. With regard to wholly-owned subsidiaries, the figures shown in this table relate to the year 2025.

The balance sheet value has been determined according to the following breakdown:

Names	Share Share	Shareholding %	Purchases/Sales	Dividends received	Carrying amount at cost
1. Cambiano Leasing S.p.A.	10,000	95.00%	0	0	18,739
2. Immobiliare 1884 s.r.l.	13,500	100.00%	0	0	13,500
3. C. H. S.p.A.	12,000	49.60%	0	0	15,068
Totals	35,500		0	0	47,308

The equity shown in the table – with reference to C.H. S.p.A. – differs from the company's actual equity as it has been adjusted in accordance with international accounting standards (IAS/IFRS). In particular, it does not include the statutory revaluation of property carried out by the investee for statutory purposes in previous financial years and, consequently, is not affected by the adjustment to these fixed assets made in the financial statements as at 31 December 2025.

7.5 Equity investments: annual changes

Items	Total 31/12/2025	Total 31/12/2024
A. Opening balance	48,615	48,172
B. Increases	251	442
B.1 Purchases	0	0
B.2 Reversals of impairment losses	0	0
B.3 Revaluations	0	442
B.4 Other changes	251	0
C. Reductions	1,558	0
C.1 Sales	1,209	0
C.2 Value adjustments	0	0
C.3 Write-downs	0	0
C.4 Other changes	349	0
D. Closing stock	47,308	48,615
E. Total revaluations	14,665	15,107
F. Total adjustments	0	0

Notes:

Line C.1 "Sales" refers to the disposal of the Bank's entire shareholding in Cabel Industry S.p.A., for a total of €1,209 thousand.

7.7 Equity investments: commitments relating to equity investments in companies subject to significant influence

There are no commitments that could give rise to contingent liabilities arising from any joint and several liabilities.

7.8 Equity investments: restrictions

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

Section 8 – Tangible assets – Item 80

8.1 Tangible fixed assets for operational use: breakdown of assets measured at cost

Assets/values	Total 31/12/2025	Total 31/12/2024
1. Owned assets	47,345	48,658
a) land	9,353	9,353
b) buildings	24,287	25,423
c) furniture	10,378	10,653
d) electronic equipment	918	796
e) other	2,409	2,733
2. Rights of use acquired through leasing	14,648	15,142
a) land	0	0
b) buildings	14,939	15,104
c) furniture	0	0
d) electronic equipment	0	0
e) other	9	38
Total	62,264	64,100
<i>of which: obtained through the realisation of guarantees received</i>	<i>0</i>	<i>0</i>

Notes:

All the Bank's tangible assets are measured at cost; the line 'land' shows the value of land separated from the value of buildings.

Sub-item 2. includes rights of use acquired through leasing following the entry into force, with effect from 1 January 2019, of the new accounting standard IFRS 16.

8.6 Tangible assets for operational use: annual changes

Items	Land	Buildings	Furniture	Electronic equipment	Other	Total 31/12/2025
A. Opening gross balance	G.353	75,186	17,487	3,206	16,457	121,663
A.1 Total net impairment losses	0	34,659	6,834	2,413	13,687	57,593
A.2 Net opening balance	G,353	40,527	10,653	766	2,770	64,100
A.4 Net holdings	G,353	40,527	10,653	766	2,770	64,100
B. Increases:	0	2,166	130	587	605	3,521

Items	Land	Buildings	Furniture	Electronic equipment	Other	Total 31/12/2025
B.1 Purchases	0	2,050	130	510	546	3,236
B.2 Capitalised improvement costs	0	149	0	0	0	149
B.3 Reversals of impairment losses	0	0	0	0	0	0
B.4 Positive changes in fair value allocated to:	0	0	0	0	0	0
a) equity	0	0	0	0	0	0
b) profit and loss account	0	0	0	0	0	0
B.5 Foreign exchange gains	0	0	0	0	0	0
B.6 Transfers from investment property	0	0	X	X	X	0
B.7 Other changes	0	0	0	76	59	135
C. Reductions:	0	3,500	405	464	G57	5,327
C.1 Sales	0	0	0	76	73	150
C.2 Depreciation	0	3,500	405	388	884	5,177
C.3 Impairment losses charged to:	0	0	0	0	0	0
a) equity	0	0	0	0	0	0
b) profit and loss account	0	0	0	0	0	0
C.4 Negative changes in fair value allocated to:	0	0	0	0	0	0
a) equity	0	0	0	0	0	0
b) profit and loss account	0	0	0	0	0	0
C.5 Foreign exchange losses	0	0	0	0	0	0
C.6 Transfers to:	0	0	0	0	0	0
(a) tangible assets held for investment purposes	0	0	0	0	0	0
b) non-current assets and disposal groups	0	0	X	X	X	0
C.7 Other changes	0	0	0	0	59	59
D. Net closing stock	G.353	3G.226	10,378	G18	2.41G	62.2G4
D.1 Total net impairment losses	0	38,159	7,239	2,724	14,512	62,635
D.2 Gross closing stock	G,353	77,385	17,617	3,643	16.G30	124.G28
E. Valuation at cost	0	0	0	0	0	0

Notes:

Item B.1 'Purchases' includes the renewal of contracts for assets acquired under lease agreements. These amounts are detailed in Table B 8.6 bis.

Depreciation has been calculated on a pro rata basis using the following rates:

Type	Rate
- Land	0.00%
- Buildings	3.00%
- Structures	0.00%
- Furniture and miscellaneous furnishings	12.00%
- AED plant, machinery and equipment	20.00%
- Technical plant, machinery and equipment	15.00%
- Cars	20.00%
- Rights of use	Depending on the term of the contract

8.6 bis Of which – Tangible assets for operational use – Rights of use acquired through leasing: annual changes

Items	Land	Buildings	Furniture	Plant Electronic	Other	Total 31/12/2025
A. Gross opening balance	0	28.G46	0	0	223	2G.16G
A.1 Total net impairment losses	0	13,842	0	0	185	14,027
A.2 Net opening balance	0	15,104	0	0	38	15,142
A.4 Net holdings	0	15,104	0	0	38	15,142
B. Increases:	0	2,050	0	0	0	2,050
B.1 Purchases	0	2,050	0	0	0	2,050
B.2 Capitalised improvement costs	0	0	0	0	0	0

Items	Land	Buildings	Furniture	Installations Electronic	Other	Total 31/12/2025
B.3 Reversals of impairment losses	0	0	0	0	0	0
B.4 Positive changes in fair value recognised in:	0	0	0	0	0	0
a) equity	0	0	0	0	0	0
b) profit and loss account	0	0	0	0	0	0
B.5 Foreign exchange gains	0	0	0	0	0	0
B.6 Transfers from investment property	0	0	X	X	X	0
B.7 Other changes	0	0	0	0	0	0
C. Reductions:	0	2,215	0	0	28	2,243
C.1 Sales	0	0	0	0	0	0
C.2 Depreciation	0	2,215	0	0	28	2,243
C.3 Impairment losses charged to:	0	0	0	0	0	0
a) equity	0	0	0	0	0	0
b) profit and loss account	0	0	0	0	0	0
C.4 Negative changes in fair value recognised in:	0	0	0	0	0	0
a) equity	0	0	0	0	0	0
b) profit and loss account	0	0	0	0	0	0
C.5 Foreign exchange losses	0	0	0	0	0	0
C.6 Transfers to:	0	0	0	0	0	0
(a) tangible assets held for investment purposes	0	0	X	X	X	0
b) non-current assets and disposal groups	0	0	0	0	0	0
C.7 Other changes	0	0	0	0	0	0
D. Net closing stock	0	14.G3G	0	0	G	14.G48
D.1 Total net impairment losses	0	16,056	0	0	214	16,270
D.2 Gross closing stock	0	30.GG5	0	0	223	31,218
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

Assets/values	Total 31/12/2025		Total 31/12/2024	
	Fixed term	Indefinite	Fixed term	Indefinite term
A.1 Goodwill	X	0	X	0
A.2 Other intangible assets	5,420	0	5,0G0	0
<i>Of which: software</i>	<i>4.43C</i>	<i>0</i>	<i>4.43C</i>	<i>0</i>
A.2.1 Assets measured at cost:	5,230	0	4,436	0
(a) Internally generated intangible assets	0	0	0	0
b) Other assets	5,230	0	4,436	0
A.2.2 Assets measured at fair value:	191	0	654	0
(a) Internally generated intangible assets	0	0	0	0
b) Other assets	191	0	654	0
Total	5,420	0	5.0G0	0

Notes:

The intangible asset measured at fair value, arising from the business combination with BCC for Web completed in 2023, relates to the valuation of customer relationships ("Client Relationship") within the acquired business unit, as identified during the PPA in accordance with IFRS 3. These relationships, comprising managed and administered deposits and current account liabilities, have been amortised over their useful lives, estimated at 3 years.

The Bank's other intangible assets are measured at cost.

G.2 Intangible assets: annual change

Items	Goodwill	Other intangible assets: internally generated		Other intangible assets: other		Total as at 31 December 2025
		with a finite useful life	indefinite-life	with a finite useful life	indefinite-life	
A. Opening gross stock	0	0	0	17,168	0	17,168
A.1 Total net impairment losses	0	0	0	12,078	0	12,078
A.2 Net opening balance	0	0	0	5.0G0	0	5.0G0
B. Increases						

Items	Goodwill	Other intangible assets: internally generated		Other intangible assets: other		Total as at 31 December 2025
		with a finite useful life	indefinite-life	with a finite useful life	with indefinite useful life	
B.1 Purchases	0	0	0	2,331	0	2,331
B.2 Additions to intangible assets internal	X	0	0	0	0	0
B.3 Reversals of impairment losses	X	0	0	0	0	0
B.4 Positive changes in fair value						
- recognised in equity	X	0	0	0	0	0
- in the profit and loss account	X	0	0	0	0	0
B.5 Foreign exchange gains	0	0	0	0	0	0
B.6 Other changes	0	0	0	0	0	0
C. Disposals						
C.1 Sales	0	0	0	0	0	0
C.2 Value adjustments						
- Depreciation	X	0	0	2,001	0	2,001
- Write-downs						
+ equity	X	0	0	0	0	0
+ profit and loss account	0.00	0	0	0	0	0
C.3 Negative changes in fair value						
- recognised in equity	X	0	0	0	0	0
- in the profit and loss account	X	0	0	0	0	0
C.4 Transfers to non-current assets held for disposal	0	0	0	0	0	0
C.5 Foreign exchange losses	0	0	0	0	0	0
C.6 Other changes	0	0	0	0	0	0
D. Net closing stock	0.00	0	0	5,420	0	5,420
D.1 Total net value adjustments	0	0	0	14,079	0	14,079
E. Gross closing stock	0	0	0	16.466	0	16.466
F. Valuation at cost	0	0	0	0	0	0

Notes:

Other intangible assets comprise expenditure on business software and the intangible asset measured at fair value, arising from the business combination with BCC for Web carried out in 2023.

Section 10 – Tax assets and liabilities – Asset item 100 and Liability item 60
Probability test on deferred taxation

For details regarding the probability test on deferred taxation, please refer to the information set out in Part B – Assets of the Consolidated Notes to the Financial Statements.

10.1 Deferred tax assets: breakdown

Items/Amounts	Total 31/12/2025	Total 31/12/2024
1. Long-term costs	83	85
2. Staff costs	261	292
3. Receivables	9,315	6,847
4. Entertainment expenses	0	0
5. Financial instruments (HTCS securities)	405	1,278
6. Tax losses	547	2,301
7. Goodwill	1,104	1,234
8. Other	0	10
Total	11,714	12,047

Notes:

The line item “Financial instruments” shows the tax asset relating to financial instruments classified in the portfolio of financial assets measured at fair value through other comprehensive income.

The line item “Tax losses” recognised as at 31 December 2025 includes deferred tax assets accrued as at 31 December 2019 by Invest Banca, which was acquired through the merger.

Breakdown of deferred tax assets, point 3. Disposals in the table above:

Items/Amounts	Total 31/12/2025	Total 31/12/2024
1. IRAP due in 2025	0	324
2. IRES payable in instalments for 2025	0	2,122
3. IRAP instalments for 2026	81	138
4. IRES instalments due in 2026	531	907
5. IRAP instalments for 2027	186	59
6. IRES instalments due in 2027	1,219	386
7. IRAP payable in instalments by 2028	186	59
8. IRES payable in instalments until 2028	1,219	386
9. IRAP payable in instalments by 2029	127	0
10. IRES payable in instalments until 2029	833	0
11. IRAP on IFRS 9 FTA adjustments, payable in instalments by 2026	104	0
12. IRES on IFRS 9 FTA adjustments, phased in by 2026	513	0
13. IRAP on IFRS 9 FTA adjustments, to be paid in instalments by 2027	104	0
14. IRES on IFRS 9 FTA adjustments, phased in by 2027	513	0
15. IRAP on IFRS 9 FTA adjustments, to be paid in instalments by 2028	519	416
16. IRES on IFRS 9 FTA adjustments, to be paid in instalments by 2028	2,565	2,052
17. IRAP on IFRS 9 FTA adjustments, to be paid in instalments by 2029	104	0
18. IRES on IFRS 9 FTA adjustments, to be paid in instalments by 2029	513	0
Total	G.315	6,847

10.2 Deferred tax liabilities: breakdown

Items/Amounts	Total 31/12/2025	Total 31/12/2024
1. Tangible fixed assets	0	0
2. Staff costs	0	0
3. Former provision for credit risks	0	0
4. Equity investments	31	31
5. Financial instruments (HTCS securities)	0	0
6. Goodwill	0	0
7. Other	20	0
Total	51	31

Notes:

The 'Equity investments' line item shows the tax liability relating to equity investments, calculated at the IRES rate (27.50%) on 5.00% of the total capital gain (2,219 mg!).

10.3 Changes in deferred tax assets (offset against the profit and loss account)

Items	Total 31/12/2025	Total 31/12/2024
1. Opening balance	10,477	12,572
2. Increases		
2.1 Deferred tax assets recognised during the financial year		
(a) relating to previous financial years	0	0
b) arising from a change in accounting policies	0	0
c) reversals of impairment losses	0	0
d) other	2,467	1,815
2.2 New taxes or increases in tax rates	0	0
2.3 Other increases	0	0
3. Decreases		
3.1 Deferred tax assets reversed during the financial year		
a) reversals	141	3,910
b) write-downs due to irrecoverability	0	0
c) change in accounting policies	0	0
d) other	0	0
3.2 Reductions in tax rates	0	0
3.3 Other reductions		

Items	Total 31/12/2025	Total 31/12/2024
a) conversion into tax credits pursuant to Law No. 214/2011	1,755	0
b) other	0	0
4. Final amount	11.04G	10,477

Notes:

The table summarises all deferred tax assets that will be recognised in subsequent financial years as a contra entry in the profit and loss account. The sub-item "d) other" under "Increases" includes the recognition of deferred tax assets relating to adjustments to the Bank's receivables amounting to 2,467 thousand, the recovery of which is expected to commence in the 2026 financial year and be completed within the following three financial years; this is considered reliable over the planning horizon in light of the outcome of the probability test

10.3.1 Changes in deferred tax assets pursuant to Law 214/2011 (offset against the profit and loss account)

Items	Total 31/12/2025	Total 31/12/2024
1. Opening balance	4,380	8,160
2. Increases	0	0
3. Decreases	0	3,780
3.1 transfers	0	3,780
3.2 conversions 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	4,380

10.4 Changes in deferred tax (offset against the profit and loss account)

Items	Total 31/12/2025	Total 31/12/2024
1. Opening balance	0	14
2. Increases		
2.1 Deferred tax recognised during the financial year		
(a) relating to previous financial years	0	0
b) due to a change in accounting policies	0	0
c) other	20	0
2.2 New taxes or increases in tax rates	0	0
2.3 Other increases	0	0
3. Decreases		
3.1 Deferred tax reversed during the financial year		
a) reversals	0	14
b) due to a change in accounting policies	0	0
c) other	0	0
3.2 Reductions in tax rates	0	0
3.3 Other reductions	0	0
4. Final amount	20	0

Notes:

The table summarises all deferred tax liabilities that will be recognised in subsequent financial years as a contra entry to the profit and loss account.

10.5 Changes in deferred tax assets (offset against equity)

Items	Total 31/12/2025	Total 31/12/2024
1. Opening balance	1,570	4,461
2. Increases		
2.1 Deferred tax assets recognised during the financial year		
a) relating to previous financial years	0	0
b) due to a change in accounting policies	0	0
c) other	0	6
2.2 New taxes or increases in tax rates	0	0
2.3 Other increases	0	0
3. Decreases		
3.1 Deferred tax assets reversed during the financial year		
a) reversals	904	2,896
b) write-downs due to irrecoverability	0	0
c) due to changes in accounting policies	0	0
d) other	0	0
3.2 Reductions in tax rates	0	0
3.3 Other reductions	0	0
4. Final amount	666	1,570

Notes:

The changes are attributable to deferred tax recognised on movements in equity reserves relating to financial instruments classified in the portfolios of financial assets measured at fair value through other comprehensive income.

10.6 Changes in deferred tax (offset against equity)

Items	Total 31/12/2025	Total 31/12/2024
1. Opening balance	31	16
2. Increases		
2.1 Deferred tax recognised during the financial year		
a) relating to previous financial years	0	0
b) due to a change in accounting policies	0	0
c) other	0	15
2.2 New taxes or increases in tax rates	0	0
2.3 Other increases	0	0
3. Decreases		
3.1 Deferred tax reversed during the financial year		
a) reversals	1	0
(b) arising from a change in accounting policies	0	0
c) other	0	0
3.2 Reduction in tax rates	0	0
3.3 Other reductions	0	0
4. Final amount	31	31

Probability test on deferred taxation

With regard to the probability test on deferred taxation, please refer to the information set out in Part B – Assets of the Consolidated Notes to the Financial Statements.

10.7 Further information – Current tax assets – Breakdown

Items	Total 31/12/2025	Total 31/12/2024
1. Advance tax payments	6,274	1,986
2. Tax credits on the principal amount	5,479	1,709
3. Tax credits on interest	0	0
4. Other withholdings	206	189
Total	11.65G	3,885

Notes:

Current tax assets in 2024 have been presented as ‘closed’ balances in the financial statements and as ‘open’ balances in the table above.

10.7 Other information – Current tax liabilities – Breakdown

Items	Total 31/12/2025	Total 31/12/2024
1. Provision for IRES tax	3,597	760
2. IRAP provision	961	327
3. Provision for stamp duty	0	0
4. Tax provision – substitute tax under Law 244/2007	0	0
5. Tax provision – other	3,286	0
Total	7,844	1,087

Notes:

Current tax liabilities for 2025 have been treated as ‘closed’ balances in the financial statements and as ‘open’ balances in the table above. The “Tax provision – other” item includes the liability relating to the obligation to pay the extraordinary contribution of 27.5% of the Reserve pursuant to Article 26 of Decree-Law 104 of 10 August 2023, converted into Law No. 136 of 9 October 2023, concerning the extraordinary tax on the increase in net interest income.

Section 12 – Other assets – Item 120

12.1 Other assets: breakdown

Items	Total 31/12/2025	Total 31/12/2024
01. Sundry debtors	4,968	2,791
02. Trade receivables	135	53
03. Work in progress	24,896	23,308
04. Miscellaneous items to be sorted out	661	368
05. Mortgages taken out and to be disbursed	340	680
06. Cheques, unpaid bills of exchange and protested bills	101	76
07. Assets assigned but not written off	0	0
08. Assets relating to expenditure on third-party assets	880	1,032
09. Expenses pending invoicing	265	71
10. Costs to be allocated	148	220
11. Forward securities transactions	991	893
12. Miscellaneous assets	23,303	13,875
13. Prepayments and accrued income	9,419	6,949
14. Securities to be settled (Sales)	0	0
15. Tax credits – Building bonuses	79,437	90,964

Items	Total as at 31 December 2025	Total 31/12/2024
16. Miscellaneous tax items	0	0
17. Other assets	374	384
Total	145.G17	141,663

Notes

The sub-item "03 Items in progress" includes transactions to be debited to customers (outgoing direct debits, bank transfers, instant payments, etc.) totalling 17,149 mgl and outgoing direct debits to be debited to banks totalling 1,224 mgl.

The sub-item "12 Miscellaneous receivables" comprises tax receivables totalling €16,599 mgl.

The sub-item "15 Tax bonus loans" refers to tax credits relating to the 'Cura Italia' and 'Rilancio' Decree-Laws acquired by the Bank following their transfer by direct beneficiaries or previous purchasers.

LIABILITIES
Section 1 – Financial liabilities measured at amortised cost – Item 10
1.1 Financial liabilities measured at amortised cost: breakdown of bank borrowings by type

Type of transaction/Amounts	Total 31/12/2025				Total 31/12/2024				Change	% change
	Carrying amount	Fair value			Carrying amount	Fair value				
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		
1. Amounts owed to banks central	0	X	X	X	0	X	X	X	0	
2. Bank borrowings										
2.1 Current accounts and demand deposits	58,249	X	X	X	64,250	X	X	X	-6,001	-9.34%
2.2 Maturity-based deposits fixed term	8,511	X	X	X	0	X	X	X	8,511	
2.3 Loans	111,291	X	X	X	7,607	X	X	X	103,683	
2.3.1 Repurchase agreements term liabilities	100,161	X	X	X	0	X	X	X	100,161	
2.3.2 Others	11,129	X	X	X	7,607	X	X	X	3,522	
2.4 Liabilities arising from commitments to repurchase own shares equity instruments	0	X	X	X	0	X	X	X	0	
2.5 Lease liabilities	0	X	X	X	0	X	X	X	0	
2.6 Other payables	0	X	X	X	0	X	X	X		
Total	178,050	0	0	178,050	71,858	0	0	71,858	106.1G2	147.78%

Notes:

All bank borrowings are measured at cost or amortised cost.

1.2 Financial liabilities measured at amortised cost: breakdown of amounts owed to customers by type

Type of transaction/Amounts	Total 31/12/2025				Total 31/12/2024				Change	Change %
	Carrying amount	Fair value			Carrying amount	Fair value				
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		
1. Current accounts and demand deposits	2,375,837	X	X	X	2,379,148	X	X	X	-3,311	-0.14%
2. Term deposits	1,174,438	X	X	X	1,218,761	X	X	X	-44,322	-3.64%
3. Loans	8,056	X	X	X	128,924	X	X	X	-120,869	-
3.1 Repurchase agreements liabilities	8,056	X	X	X	128,924	X	X	X	-120,869	-
3.2. Others	0	X	X	X	0	X	X	X	0	-
4. Liabilities arising from commitments to repurchase own equity instruments	0	X	X	X	0	X	X	X	0	-
5. Lease liabilities	15,886	X	X	X	15,874	X	X	X	12	0.07%
6. Other payables	33,259	X	X	X	66,987	X	X	X	-33,728	-
Total	3,607,475	0	0	3,607,475	3.80G.6G4	0	0	3.80G.6G4	-202.21G	-5.31%

Notes:

All payables to customers are measured at cost or amortised cost.

Line 5, 'Lease liabilities', comprises lease liabilities recognised in accordance with IFRS 16. Line 6, 'Other payables', includes liabilities associated with assets sold but not derecognised in connection with the securitisation transaction completed in September 2023.

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

Type of securities/Amounts	Total 31/12/2025				Total 31/12/2024			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Securities								
1. Bonds	85,560	0	0	85,560	115,782	0	0	115,782
1.1 Structured	0	0	0	0	0	0	0	0
1.2 other	85,560	0	0	85,560	115,782	0	0	115,782
2. Other securities	0	0	0	0	0	0	0	0
2.1 Structured	0	0	0	0	0	0	0	0
2.2 others	0	0	0	0	0	0	0	0
Total	85,560	0	0	85,560	115,782	0	0	115,782

Notes:

The table shows funding in the form of bonds.

All liabilities are measured at cost or amortised cost, with the exception of items subject to specific interest rate hedging, for which the effect of the swaps has been capitalised. Liabilities are shown net of repurchased bonds.

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

ISIN	Issue date	Redemption date	Issue value	Amount recognised against own funds
IT0005371270	10 June 2019	10 June 2029	5,000	3,442
IT0005376287	20 June 2019	20 June 2029	1,000	0
IT0005385668	25 September 2019	25/09/2029	2,000	1,494
IT0005391518	5 December 2019	5 December 2029	1,000	786
IT0005396426	20 December 2019	20/12/2024	0	0
IT0005253148	1 June 2017	1 June 2024	0	0
IT0005487118	15 March 2022	15 March 2029	2,000	1,281
IT0005495574	16 May 2022	16 May 2030	3,000	2,624
IT0005498859	29 June 2022	29 June 2030	3,000	2,696
IT0005509135	30 September 2022	30/09/2030	2,000	1,899
IT0005510059	30 September 2022	30/09/2030	3,000	2,849
IT0005514960	20 October 2022	20/10/2030	3,000	2,882
IT0005516395	20 October 2022	20 October 2030	700	675
IT0005516403	20 October 2022	20/10/2030	400	386
IT0005523391	7 December 2022	7 December 2030	2,800	2,763
IT0005527772	29 December 2022	29/12/2030	2,200	2,198
IT0005527780	29 December 2022	29/12/2030	5,000	4,995
IT0005534190	1 March 2023	1 March 2031	800	800
IT000554495	29 June 2023	29 June 2031	2,000	2,000
IT0005558751	10 August 2023	10 August 2031	800	800
IT0005560534	4 September 2023	4 September 2031	4,500	4,500
IT0005560591	4 September 2023	4 September 2031	2,000	2,000
IT0005561268	20 September 2023	20/09/2031	500	500
IT0005561854	26 September 2023	26 September 2031	8,000	8,000
Total			54,700	4,570

1.6 Financial liabilities measured at amortised cost: lease liabilities

TIME FRAMES	31/12/2025		31/12/2024	
	Payments due		Payments due	
	Finance lease	Operating lease	Leasing Finance	Operating lease
Up to 1 year	0	359	0	45
From over 1 year up to 2 years	0	356	0	758
From over 2 years up to 3 years	0	416	0	575
From over 3 years up to 4 years	0	0	0	557
From over 4 years up to 5 years	0	15	0	0
Over 5 years	0	14,607	0	13,810
Total lease payments due	0	15,753	0	15,745
RECONCILIATION WITH PAYABLES:				
Unrealised financial gains (-) (Discounting effect)	0	133	0	129
Lease liabilities	0	15,886	0	15,874

Notes:

Please note that Table "1.6 Lease liabilities" sets out the analysis of lease liabilities by time band, as required by IFRS 16 and Bank of Italy Circular No. 262.

Section 2 – Financial liabilities held for trading – Item 20

2.1 Financial liabilities held for trading: breakdown by type

Type of transaction/Amounts	Total 31/12/2025					Total 31/12/2024				
	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. Bank borrowings	0	0	0	0	0	0	0	0	0	0
2. Amounts owed 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 liabilities	0	0	0	0	0	0	0	0	0	0
3.2 Other securities	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	4,340	0	0	0	0	420	0
1. Financial derivatives	0	0	0	4,340	0	0	0	0	420	0
1.1 Trading	0	0	0	4,340	0	0	0	0	420	0
1.2 Related to the fair value option	0	0	0	0	0	0	0	0	0	0
1.3 Other	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 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	4,340	0	0	0	0	420	0
Total A + B	0	0	0	4,340	0	0	0	0	420	0

Key

FV (*) – fair value calculated excluding changes in value attributable to changes in the issuer's credit rating since the issue date.

3.1 Financial liabilities designated at fair value: breakdown by type

Type of transaction/Amounts	Total 31/12/2025					Total 31/12/2024				
	Notional value	Fair value			Fair value (*)	Notional value	Fair value			Fair Value (*)
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
1. Amounts owed to banks	0	0	0	0		0	0	0	0	
1.1 Structured	0	0	0	0	X	0	0	0	0	X
1.2 Others	0	0	0	0	X	0	0	0	0	X
of which:										
- commitments to disburse funds	0	X	X	X	X	0	X	X	X	X
- financial guarantees issued	0	X	X	X	X	0	X	X	X	X
2. Amounts owed to customers	0	0	0	0		0	0	0	0	
2.1 Structured	0	0	0	0	X	0	0	0	0	X
2.2 Others	0	0	0	0	X	0	0	0	0	X
of which:										
- commitments to disburse funds	0	X	X	X	X	0	X	X	X	X
- financial guarantees issued	0	X	X	X	X	0	X	X	X	X
3. Debt securities	0	0	0	0		0	0	0	0	
3.1 Structured	0	0	0	0	X	0	0	0	0	X
3.2 Others	0	0	0	0	X	0	0	0	0	X
Total	0	0	0	0		0	0	0	0	0

Key

FV (*) – fair value calculated excluding changes in value attributable to changes in the issuer's credit rating since the issue date

Section 4 – Hedging derivatives – Item 40
4.1 Hedging derivatives: breakdown by type of hedge and by hierarchy level

Items	Fair value 31/12/2025			Notional value 31/12/2025	Fair value 31/12/2024			Notional value at 31 December 2024
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A. Financial Derivatives	0	0	0	0	0	0	0	0

Items	Fair value 31 December 2025			Notional value 31/12/2025	Fair value 31/12/2024			Notional value 31/12/2024
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
1) Fair value	0	0	0	0	0	0	0	0
2) Cash flows	0	0	0	0	0	0	0	0
3) Foreign investments	0	0	0	0	0	0	0	0
B. Credit derivatives	0	0	0	0	0	0	0	0
1) Fair value	0	0	0	0	0	0	0	0
2) Cash flows	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0

4.2 Hedging derivatives: breakdown by hedged portfolios and by type of hedge

Transactions/Type of hedge	Fair value							Cash flows		Foreign investments
	Specification					Other	Generic	Specification	General	
	Debt securities and interest rates	Equity securities and share indices	Currencies and gold	Credit	Commodities					
1. Financial assets measured at fair value through other comprehensive income	0	0	0	0	0		0	0	0	0
2. Financial assets measured at amortised cost	0	0	0	0	0		0	0	0	0
3. Portfolio	0	0	0	0	0		0	0	0	0
4. Other transactions	0	0	0	0	0		0	0	0	0
Total assets	0	0	0	0	0		0	0	0	0
1. Financial liabilities	0	0	0	0	0		0	0	0	0
2. Portfolio	0	0	0	0	0		0	0	0	0
Total liabilities	0	0	0	0	0		0	0	0	0
1. Expected transactions	0	0	0	0	0		0	0	0	0
2. Portfolio of financial assets and liabilities	0	0	0	0	0		0	0	0	0

Section 8 – Other liabilities – Item 80

8.1 Other liabilities: breakdown

Items	Total as at 31 December 2025	Total as at 31 December 2024
01. Miscellaneous tax items	17,153	10,818
02. Work-in-progress	1,346	605
03. Credit balances on third-party portfolio offsets	49,288	50,285
04. Trade payables	5,671	5,074
05. Work in progress and sundry creditors	14,606	19,298
06. Accrued liabilities and deferred income	4,902	6,092
07. Borrowers' account for loans to be disbursed	340	680
08. Securities to be settled (Purchases)	0	7
09. Amortised cost difference on equity instruments	0	0
10. Other liabilities	374	384
Total	G3,680	G3,243

Section G – Staff severance pay – Item G0

G.1 Staff severance pay: year-on-year changes

Items	Total 31/12/2025	Total 31/12/2024
A. Opening balance	3,131	3,026
B. Increases		
B.1 Provision for the financial year	1,479	1,369
B.2 Other changes	116	141
C. Reductions		
C.1 Pay-outs made	194	36
C.2 Other changes	1,594	1,369
D. Closing stock	2.G38	3,131
Total	2.G38	3,131

Notes:

Line B.1 "Provision for the financial year" includes the severance pay (T.F.R.) accrued during the financial year, amounting to 1,369 mgl.

Line B.2 "Other movements" comprises "Service cost" of 45 mgl., "Interest cost" of 76 mgl. and "Actuarial gains/losses" of 20 mgl.

Line C.1 “Payments made” comprises the “benefit paid” for IAS purposes in respect of severance pay (T.F.R.) amounting to 36 mgl..

Line C.2 “Other changes” includes the T.F.R. transferred to the Employees’ Supplementary Pension Fund (external) or the INPS Treasury, amounting to 1,369 mgl.

Further information

In accordance with IAS 19, the valuation of staff severance pay was carried out using specific actuarial estimates as required for the treatment of defined-benefit schemes. The valuation, certified by specially appointed external professionals, was carried out using the ‘accrued benefits’ methodology via the ‘Projected Unit Credit’ (PUC) method, as set out in IAS 19, and taking into account the following demographic and financial assumptions:

- the annual discount rate used to determine the present value of the obligation is 2.835% and was determined, in accordance with paragraph 83 of IAS 19, by referring to the term structure of interest rates derived using a bootstrap method from the swap rate curve recorded as at 30 December 2025 and set in relation to liabilities with an average remaining maturity of 8 years;
- the annual rate of increase in severance pay (TFR), as provided for in Article 2120 of the Civil Code, is equal to 75 per cent of inflation plus 150 basis points;
- with regard to the inflation assumption, reference was made to the “2023 Economic and Financial Document – Update Note” approved by the Council of Ministers on 27 September 2023, which forecasts an annual rate of 2% for 2025 and 2.1% for 2026. In light of this update, it has been assumed that a flat rate of 2.1 per cent, again on an annual basis, will be adopted from 2027;
- among the technical demographic assumptions, mortality rates were derived from those relating to the Italian population, broken down by sex and age, as recorded by ISTAT in 2000 and reduced by 25 per cent;
- the annual frequencies of early withdrawals and staff turnover were derived from the Bank’s historical data.

The valuation of the severance pay (TFR) using the above methods has yielded the following results:

Items	Total 31/12/2025	Total 31/12/2024
Present value of defined benefit obligations as at 31/12/2024	3,131	3,026
Total service costs 1 January 2025 – 31 December 2025	41	45
Interest costs 1 January 2025 – 31 December 2025	75	76
Net periodic costs	116	121
Actuarial gains (+)/losses (-) 1 January 2025 – 31 December 2025	-115	20
Acquisition of business unit	0	0
Withdrawals 1 January 2025 – 31 December 2025	194	36
Present value of defined benefit obligations as at 31/12/2025	2.G38	3,131

From 2013 onwards, following the adoption of the revised IAS 19, actuarial gains and losses are recognised directly in equity. The amount of the severance pay liability (TFR), calculated in accordance with national legislation – that is, in relation to the contractual and statutory obligations assumed by the Bank towards its employees – amounts to €2,918 thousand.

Section 10 – Provisions for risks and charges – Item 100

10.1 Provisions for risks and charges: breakdown

Items/Amounts	Total 31/12/2025	Total 31/12/2024
1. Provisions for credit risk relating to financial commitments and guarantees issued	2,776	2,385
2. Provisions for other commitments and other guarantees given	0	0
3. Company pension funds	0	0
4. Other provisions for risks and charges	2,976	2,559
4.1 Legal disputes	2,802	2,417
4.2 staff costs	0	0
4.3 Other	174	142
Total	5,752	4.G44

The Provision for legal disputes also includes provisions relating to pending litigation made by Invest Banca and acquired as part of the merger.

Contingent liabilities relating to disputes where a loss is considered “possible” amount to a total of 2,063 thousand.

In view of the recent initiation of administrative sanction proceedings – the outcome of which is not yet known – relating to the Bank of Italy’s inspection carried out in 2025, no provisions have been made in the financial statements, particularly as the proceedings are still at an early stage and it is not yet known whether the Bank has any outstanding obligations.

10.2 Provisions for risks and charges: year-on-year changes

Items	Provisions for other commitments and other guarantees issued	Provisions for pension	Other provisions	Total 31/12/2025
A. Opening balance	2,385	0	2.556	4.G44
B. Increases				
B.1 Provision for the financial year	901	0	622	1,524
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. Reductions				
C.1 Utilisation during the financial year	510	0	205	715
C.2 Changes due to changes in the discount rate	0	0	0	0
C.3 Other changes	0	0	0	0
D. Closing stock	2,776	0	2.G76	5,752

10.3 Provisions for credit risk relating to financial commitments and guarantees issued

Items	Provisions for credit risk relating to financial commitments and guarantees issued			
	First stage	Stage 2	Stage 3	Total 31/12/2025
1. Commitments to disburse funds	0	0	0	0
2. Financial guarantees issued	259	71	2,446	2,776
Total	25G	71	2,446	2,776

10.4 Provisions for credit risk relating to other commitments and other guarantees issued

	Provisions for credit risk relating to other commitments and other guarantees given			
	Stage 1	Stage 2	Stage 3	Total 31/12/2025
1. Other commitments	0	0	0	0
2. Other guarantees given	0	0	0	0
Total	0	0	0	0

Section 12 – Company assets – Items 110, 130, 140, 150, 160, 170 and 180

12.2 Share capital – Number of shares: annual changes

Items/Types	Ordinary	Other
A. Shares outstanding at the start of the financial year	254,53G,130	0
- fully paid up	254,539,130	0
- not fully paid up	0	0
A.1 Treasury shares (-)	0	0
A.2 Shares in issue: opening balance	254.53G.130	0
B. Increases		
B.1 New issues		
- for consideration:	0	0
- business combinations	0	0
- bond conversions	0	0
- exercise of warrants	0	0
- other	0	0
- free of charge:	0	0
- for employees	0	0
- in favour of directors	0	0
- other	0	0
B.2 Sale of own shares	0	0
B.3 Other changes	0	0
C. Reductions		
C.1 Cancellation	0	0
C.2 Purchase of own shares	0	0
C.3 Disposals of businesses	0	0
C.4 Other changes	0	0
D. Shares in issue: closing balance	254,53G,130	0
D.1 Treasury shares (+)	0	0
D.2 Shares in issue at the end of the financial year	254,539,130	0
- fully paid-up	254,539,130	0
- not fully paid up	0	0

12.3 Share capital: further information – annual changes

Items	Amounts	Number of shares	Number of shareholders
A. Opening balance	252,800	254,53G,130	235
B. Increases			
B.1 Purchase of shares – New shareholders	0	0	0
B.2 From other changes	2	2,280	0
C. Reductions			
C.1 Sales – Members who have left	2	2,280	2
C.2 From other changes	0	0	0
D. Closing stock	252,800	254,53G,130	233

12.4 Retained earnings: further information – composition of the company's equity

Items	Total 31/12/2025	Total 31/12/2024
1. Share capital	252,800	252,800

Items	Total 31/12/2025	Total 31/12/2024
2. Share premium	803	803
3. Reserves	-13,997	-21,482
3.1 Ordinary/extraordinary reserve	74,010	64,360
3.2 Statutory reserve	0	0
3.3 Reserves – First-time adoption of IAS/IFRS	-78,146	-78,146
3.4 Reserves – Way Out	3,425	3,425
3.5 Reserve for sales/redemptions of HTCS securities (OCI option)	-4,236	-4,268
3.6 Reserve for coupon payments on equity instruments	-7,938	-5,740
3.7 Retained earnings from investments with significant influence	-1,114	-1,114
4. (Treasury shares)	0	0
5. Valuation reserves	694	-1,064
5.1 Financial assets held for trading	0	0
5.2 Financial assets measured at fair value through other comprehensive income	-807	-2,547
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 of foreign investments	0	0
5.7 Hedging of cash flows	0	0
5.8 Exchange rate differences	0	0
5.9 Non-current assets held for disposal	0	0
5.10 Actuarial gains (losses) on defined benefit schemes	-687	-771
5.11 Share of valuation reserves relating to equity-accounted investments	2,188	2,253
5.12 Special revaluation legislation	0	0
6. Equity instruments	40,000	40,000
7. Profit (Loss) for the year	7,030	14,005
Total	287,331	285,062

Item 3.3 Reserves – First-time adoption of IAS/IFRS includes the FTA adjustment arising from the application of the international accounting standard IFRS 9, which came into force on 1 January 2018. Details of this item are set out at the foot of the Statement of Changes in Equity.

Item 3.1 Ordinary/Extraordinary Reserve includes the reserve pursuant to Article 26(5-bis) of Decree-Law 104 of 10 August 2023, converted into Law 136 of 9 October 2023, relating to the extraordinary tax on the increase in net interest income, in respect of which a resolution was passed to redeem the reserve in accordance with the provisions of Article 1, paragraphs 69 to 73, of Law No. 199/2025, to be finalised by payment, by 30 June 2026, of the extraordinary contribution at a reduced rate (amounting to 27.5 per cent of the reserve existing as at 31 December 2025, totalling €3,286 thousand) and its subsequent settlement in the tax return for 2025. The completion of the tax clearance will result in the non-application of the legal presumption provided for in paragraph 5-ter of Article 26 of Decree-Law 104/2023 (introduced by Article 1, paragraph 68, of Law No. 199/2025) which, with effect from profit distributions made on or after 1 January 2029, would have entailed the obligation to pay the extraordinary tax (at a rate of 40 per cent) provided for in the aforementioned Article 26 of Decree-Law 104/2023 (a tax that had been suspended thanks to the creation of the reserve). As a result of the release, therefore, the reserve will be freely distributable.

12.4 Profit reserves: further information – allocation and appropriation of the profit for the financial year

Items	Amount	Allocation to equity
- Statutory reserve (5.00% of profit)	352	Increase in item 160 of liabilities (CET1)
- Extraordinary reserve (including the reserve pursuant to Article 6 of Decree-Law 368/2005 amounting to €0.00)	6,151	Increase in liability item 160 (CET1)
- Deferred tax reserve under Decree-Law 104 of 10 August 2023	0	Increase in liability item 160 (CET1)
- Shareholders' dividends receivable	528	
Total	7,030	

12.5 Equity instruments: composition and annual changes

ISIN	Issue date	Redemption date	Issue value	Amount eligible against own funds
IT0005427023	23/11/2020	31/12/2099	1,500	1,500
IT0005429375	15 December 2020	15/12/2099	3,500	1,800
IT0005429755	21 December 2020	21 December 2099	1,000	1,000
IT0005431777	21 December 2020	21/12/2099	500	500
IT0005432130	28 December 2020	28 December 2099	3,500	3,500
IT0005439846	30 March 2021	30 March 2099	5,000	5,000
IT0005454076	11 August 2021	11 August 2099	5,000	5,000
IT0005475055	28 December 2021	28 December 2099	7,000	7,000
IT0005489601	30 March 2022	30 March 2099	3,000	3,000
IT0005566648	10 October 2023	10 October 2099	10,000	10,000
Total			40,000	38,300

Notes: The balance sheet item “130. Equity instruments” includes the Additional Tier 1 capital instruments issued during previous financial years, totalling 40,000 mgf. These instruments have been classified as Additional Tier 1 capital, in accordance with Regulation No. 575 of 2013 (CRR). For further details on the accounting treatment of these instruments, please refer to the section “Part A – Accounting Policies” of these notes to the financial statements.

12.6 Further information – Statement regarding the origin, availability and distributability of equity items (Article 2427, paragraph 1, point 7-bis, of the Italian Civil Code)

Pursuant to Article 2427, paragraph 7-bis, of the Italian Civil Code, the table below sets out the composition of equity, according to the origin and the degree of availability and distributability of the various items:

Items	Amount	Availability for use	Available portion	Summary of utilisations made in the last three financial years	
				For hedging losses	For other reasons
Capital	252,800				0
Share premium reserve	803				0
Valuation reserves:					
- HTCS securities reserve (1)	-807	B	0		
- actuarial reserve (1)	-687	B	0		
- equity reserve (1)	2,188	B	0		
Retained earnings:			0		
- Statutory reserve	4,562	B	4,562	0	0
- Extraordinary reserve pursuant to Legislative Decree 38/2005 for the revaluation of equity investments (2)	1,744	B	1,744		
- Reserve arising from business combinations	4,942		4,942		
- Extraordinary reserve pursuant to Decree-Law 104 of 10 August 2023 (3)	8,662		8,662		
- Available extraordinary reserve	-33,907		-33,907		
Total	240,301		-13.GG7		
Non-distributable share			0		
Remaining distributable share			-13,997		

Key: A = for capital increase - B = to cover losses - C = for distribution to shareholders

(1) The reserve is restricted in accordance with Article 6(2) of Legislative Decree No. 38/2005.

(2) The reserve may be used to cover operating losses only after the available profit reserves and the statutory reserve have been utilised, as provided for in Article 6 of Legislative Decree No. 38/05. In such cases, it is replenished by setting aside profits from subsequent financial years.

(3) The available portion of the restricted reserve pursuant to Article 26 of Decree-Law 104 of 10 August 2023, converted into Law 136 of 9 October 2023 concerning the extraordinary tax on the increase in net interest income, is net of the extraordinary contribution pursuant to Law 199/2025.

Further information

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

	Nominal value of financial commitments and guarantees issued				Total 31 December 2025	Total 31/12/2024
	First stage	Second stage	Third stage	Acquired or originated		
1) Commitments to disburse funds	773,075	84.GG4	11,846	0	86G.G15	860,435
a) Central Banks	0	0	0	0	0	0
b) General government	1,748	0	0	0	1,748	1,830
c) Banks	0	0	0	0	0	2,500
d) Other financial companies	93,199	0	0	0	93,199	83,073
e) Non-financial companies	601,924	80,509	11,222	0	693,655	693,617
f) Households	76,204	4,485	623	0	81,313	79,415
2) Financial guarantees issued	63,572	0	0	0	63,572	73,423
a) Central Banks	0	0	0	0	0	0
b) General government	1,028	0	0	0	1,028	3
c) Banks	0	0	0	0	0	0
d) Other financial companies	605	0	0	0	605	5,783
e) Non-financial companies	52,354	0	0	0	52,354	57,774
f) Households	9,585	0	0	0	9,585	9,863
Total	836,647	84.GG4	11,846	0	G33,487	G33,858

2. Other commitments and guarantees given

Wallets	Nominal value	
	Amount as at 31 December 2025	Amount at 31 December 2024
1. Other guarantees issued	12,061	13,852
of which: impaired	0	0
a) Central Banks	0	0
b) Public sector	0	0
c) Banks	9,728	9,728
d) Other financial companies	0	0
e) Non-financial companies	2,333	4,124
f) Households	0	0
2. Other commitments	0	0

Portfolios	Nominal value	
	Amount as at 31 December 2025	Amount as at 31 December 2024
of which: impaired	0	0
a) Central Banks	0	0
b) Public sector	0	0
c) Banks	0	0
d) Other financial companies	0	0
e) Non-financial companies	0	0
f) Households	0	0

3. Assets held as security for own liabilities and commitments

Portfolios	Amount as at 31 December 2025	Amount at 31 December 2024
1. Financial assets measured at fair value through profit or loss	0	0
2. Financial assets measured at fair value through other comprehensive income	0	97,045
3. Financial assets measured at amortised cost	251,653	320,199
4. Tangible assets	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 clients	576.11G
a) purchases	369,986
settled	369,971
unreconciled	15
b) sales	206,133
settled	206,133
unpaid	0
2. Individual portfolio management	170,437
3. Custody and administration of securities	4.0G4.G35
(a) third-party securities held in custody: relating to the performance of custodian banking activities (excluding portfolio management)	0
1. securities issued by the bank preparing the financial statements	0
2. other securities	0
b) third-party securities held in custody (excluding portfolio management): other	1,460,411
1. securities issued by the bank preparing the financial statements	341,127
2. other securities	1,119,284
c) third-party securities held with third parties	1,518,755
d) own securities held with third parties	1,115,769
4. Other transactions	0

5. Financial assets subject to netting in the balance sheet, or subject to master netting agreements or similar arrangements

Technical forms	Gross amount of financial assets (a)	Amount of financial liabilities offset in the balance sheet (b)	Net amount of financial assets reported in the balance sheet (c = a - b)	Related amounts not offset in the balance sheet		Net amount as at 31 December 2025 (f = c - d - e)	Net amount as at 31 December 2024
				Financial instruments (d)	Cash deposits received as collateral (e)		
1. Derivatives	0	0	0	0	0	0	0
2. Spot versus forward	0	0	0	0	0	0	0
3. Securities lending	0	0	0	0	0	0	0
4. Other	0	0	0	0	0	0	0
Total as at 31 December 2025	0	0	0	0	0	0	0
Total as at 31 December 2024	0	0	0	0	0		0

Financial assets – List of transactions subject to netting agreements – Derivatives:

Counterparty	Derivative asset	Deposit received	Net amount
Banca IMI s.p.a.	0	0	0
Totals	0	0	0

6. Financial liabilities that are offset in the balance sheet, or subject to master netting agreements or similar arrangements

Technical forms	Gross amount of financial liabilities (a)	Amount of financial liabilities offset in the balance sheet (b)	Net amount of financial assets reported in the balance sheet (c = a – b)	Related amounts not offset in the balance sheet		Net amount as at 31 December 2025 (f = c – d – e)	Net amount as at 31 December 2024
				Financial instruments (d)	Cash deposits received as collateral (e)		
1. Derivatives	0	0	0	0	0	0	0
2. Spot versus forward	0	0	0	0	0	0	0
3. Securities lending	0	0	0	0	0	0	0
4. Other	0	0	0	0	0	0	0
Total as at 31 December 2025	0	0	0	0	0	0	
Total as at 31 December 2024	0	0	0	0	0		0

Financial liabilities – List of transactions subject to netting agreements – Derivatives:

Counterparty	Derivative liabilities	Deposit provided	Net amount
Banca MPS S.p.A.	0	0	0
Iccrea Banca s.p.a.	0	0	0
Totals	0	0	0

PART C – Information on the profit and loss account

Section 1 – Interest – Items 10 and 20

1.1. Interest income and similar income: breakdown

Items/Technical forms	Debt securities	Loans	Other transactions	Total 31/12/2025	Total 31/12/2024	Change	% change
1. Financial assets measured at fair value through profit or loss :	2,112	0	0	2,112	2,257	-145	-6.42%
1.1 Financial assets held for trading	1,973	0	0	1,973	2,072	-100	-4.81%
1.2 Financial assets designated at fair value	0	0	0	0	0	0	0.00%
1.3 Other financial assets mandatorily measured at fair value	139	0	0	139	185	-45	-24.46%
2. Financial assets measured at fair value through profit or loss comprehensive	836	0	X	836	1,580	-744	-47.11%
3. Financial assets measured at amortised cost:	13,530	115,155	X	128,685	163,610	-35,225	-21.46%
3.1 Loans to banks	0	4,278	X	4,278	15,994	-11,716	-73.25%
3.2 Loans to customers	13,530	110,877	X	124,407	147,916	-23,509	-15.89%
4. Hedging derivatives	X	X	0	0	0	0	0.00%
5. Other assets	X	X	5,539	5,539	5,541	-2	-0.03%
6. Financial liabilities	X	X	X	0	0	0	0.00%
Total	16,477	115,155	5,539	137,172	173,288	-36,116	-20.84%
of which: interest income on impaired financial assets	0	5,828	0	5,828	7,268	-1,441	-1.82%
of which: interest income on finance leases	0	781	0	781	1,168	-387	-33.16%

Notes:

The item "interest income on impaired financial assets" includes both interest on non-performing loans, amounting to €1,822 thousand, and interest on other impaired exposures, amounting to €4,006 thousand. Interest on non-performing loans includes interest received of €159 mgl and interest accrued over time recognised under this heading in accordance with IFRS 9, amounting to €1,664 mgl.

1.2. Interest income and similar income: further information

Items	Total 31/12/2025	Total 31/12/2024
A. Positive differences relating to hedging transactions:	0	0
B. Negative differences relating to hedging transactions:	0	0
C. Balance (A-B)	0	0

1.2.1 Interest income on financial assets denominated in foreign currencies

Items/Amounts	Total 31/12/2025	Total 31/12/2024
Interest income on financial assets denominated in foreign currencies	2,705	2,403

1.3 Interest expense and similar charges: breakdown

Items/Technical classifications	Liabilities	Securities	Other transactions	Total 31/12/2025	Total 31/12/2024	Change	Change %
1. Financial liabilities measured at amortised cost	-54,625	-5,157	0	-59,782	-89,581	29,799	-33.26%
1.1 Amounts owed to central banks	0	X	X	0	-11,860	11,860	454.71%
1.2 Bank borrowings	-3,471	X	X	-3,471	-626	-2,845	-27.25%
1.3 Amounts owed to customers	-51,155	X	X	-51,155	-70,312	19,158	-23.97%
1.4 Shares in issue	X	-5,157	X	-5,157	-6,782	1,625	-
2. Financial liabilities held trading	0	0	0	0	0	0	-
3. Financial liabilities designated at fair value	0	0	0	0	0	0	-50.27%
4. Other liabilities and provisions	X	X	-2,254	-2,254	-4,533	2,279	-
5. Hedging derivatives	X	X	0	0	0	0	-
6. Financial assets	X	X	X	0	0	0	-34.08%
Total	-54,625	-5,157	-2,254	-62,036	-94,114	32,078	17.80%

Items/Technical forms	Liabilities	Securities	Other transactions	Total 31/12/2025	Total 31/12/2024	Change	Change %
of which: interest expense relating lease liabilities	0	0	-513	-513	-435	-78	17.80%

Notes:

The item "interest expense on other liabilities" includes interest expense accrued on the Senior note issued in connection with the securitisation transaction for €1,741 mgl.

1.4 Interest expense and similar charges: further information

1.4.1 Interest expense on foreign currency liabilities

Items/Amounts	Total 31/12/2025	Total 31/12/2024
Interest expense on financial liabilities denominated in foreign currencies	-1,576	-1,065

1.5 Interest expense and similar charges: differences relating to hedging transactions

Items	Total 31/12/2025	Total 31/12/2024
A. Positive differences relating to hedging transactions:	0	0
B. Negative differences relating to hedging transactions:	0	0
C. Balance (A–B)	0	0

Section 2 – Commissions – Items 40 and 50

2.1 Commission income: breakdown

Type of service/Amounts	Total 31/12/2025	Total 31/12/2024	Change	Change %
a) Financial instruments	4,764	3,656	1,109	30.33%
1. Placement of securities	1.81G	1,412	407	28.81%
1.1 With a firm underwriting commitment and/or on the basis of an irrevocable commitment	0	0	0	
1.2 Without an irrevocable commitment	1,819	1,412	407	28.81%
2. Receipt and transmission of orders and execution of orders on behalf of clients	G2G	882	47	5.35%
2.1 Receipt and transmission of orders for one or more financial instruments	362	325	36	11.19%
2.2 Execution of orders on behalf of clients	568	557	11	1.94%
3. Other fees relating to activities involving financial instruments	2,016	1,362	655	48.10
of which: trading on own account	53	38	15	38.43%
of which: individual portfolio management	1,964	1,324	640	48.37%
b) Corporate Finance	0	0	0	-
1. Mergers and acquisitions advisory services	0	0	0	-
2. Treasury services	0	0	0	-
3. Other fees relating to corporate finance services	0	0	0	-
c) Investment advisory services	0	2	-2	-100.00%
d) Clearing and settlement	0	0	0	-
e) Custody and administration of securities	316	311	5	1.67%
1. Custodian bank	0	0	0	-
2. Other fees relating to custody and administration	316	311	5	1.67%
f) Central administrative services for collective portfolio management	0	0	0	-
g) Trust activities	0	0	0	-
h) Payment services	22,586	22,016	570	2.59%
1. Current accounts	15,984	16,458	-474	-2.88%
2. Credit cards	2,376	1,081	1,296	119.89%
3. Debit cards and other payment cards	2,100	2,386	-286	-11.98%
4. Bank transfers and other payment orders	2,114	2,076	38	1.82
5. Other fees relating to payment services	12	16	-4	-22.53%
i) Distribution of third-party services	4,187	4,668	-511	-10.87%
1. Collective portfolio management	0	0	0	-
2 Insurance products	3,270	3,043	227	7.45%
3 Other products	917	1,655	-737	-44.56%
of which: individual portfolio management	0	0	0	-
j) Structured finance	0	0	0	-
k) Servicing activities for securitisation transactions	232	265	-32	-12.18%
l) Commitments to disburse funds	0	0	0	-
m) Financial guarantees issued	529	635	-107	-16.78%
of which: credit derivatives	0	0	0	-
n) Financing transactions	1,195	1,040	155	14.95%
of which: factoring transactions	0	0	0	-
o) Foreign exchange trading	954	1,060	-106	-10.05%
p) Commodities	0	0	0	-
q) Other commission income	2,770	2,842	-72	-2.54%

Type of service/Amounts	Total 31/12/2025	Total 31/12/2024	Change	Change %
of which: for the operation of multilateral trading facilities	0	0	0	-
of which: for the management of organised trading facilities	0	0	0	-
Total	37,533	36,524	1.00G	2.76%

2.2 Commission income: distribution channels for products and services

Channels/Amounts	Total 31/12/2025	Total 31/12/2024
a) at the Bank's own branches:	7.668	7,425
1. portfolio management	1,962	1,315
2. placement of securities	1,819	1,412
3. third-party services and products	4,187	4,698
b) off-premises sales:	56G	565
1. portfolio management	1	8
2. placement of securities	568	557
3. third-party services and products	0	0
c) other distribution channels	0	0
1. Portfolio management	0	0
2. placement of securities	0	0
3. third-party services and products	0	0

2.3 Commission expense: breakdown

Services/Securities	Total 31/12/2025	Total 31/12/2024
a) Financial instruments	-2,512	-1,218
of which: trading in financial instruments	-359	-293
of which: placement of financial instruments	-508	-79
of which: individual portfolio management	-1,645	-846
- own	-1,645	-846
- delegated by third parties	0	0
b) Clearing and settlement	-376	-381
c) Custody and administration of securities	-157	-231
d) Collection and payment services	-1.681	-1.687
of which: credit cards, debit cards and other payment cards	-1,576	-1,527
(e) Servicing activities for securitisation transactions	0	0
f) Commitments to receive funds	0	0
g) Financial guarantees received	-656	-643
of which: credit derivatives	0	0
h) Off-premises offering of financial instruments, products and services	-166	-182
i) Foreign exchange trading	-32G	-330
j) Other commission expense	-466	-650
Total	-6.642	-5.622

The increase recorded for this item during the period of €1,020 thousand (17.23%) is attributable to the rise in commissions paid to financial advisers for the placement of asset management services, amounting to €799 mgl, and to the rise in commission expense relating to the placement of financial instruments – with particular reference to insurance policies – amounting to 429 thousand euros.

Section 3 – Dividends and similar income – Item 70

3.1 Dividends and similar income: breakdown

Items/Income	Total 31/12/2025		Total 31/12/2024	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading	162	0	38	0
B. Other financial assets required to be measured at fair value	112	0	35	0
C. Financial assets measured at fair value through comprehensive income	636	0	471	0
D. Equity investments	0	0	0	0
Total	60G	0	544	0

Section 4 – Net trading income – Item 80

4.1 Net trading profit: breakdown

Transactions/Income components	Capital gains (A)	Trading profits (B)	Capital losses (C)	Trading losses (D)	Net profit [(A+B) - (C+D)]
1. Financial assets held for trading	4.31G	8,037	882	3,712	7,762
1.1 Debt securities	2,760	4,019	427	2,890	3,461
1.2 Equity securities	1,559	936	455	821	1,218
1.3 O.I.C.R. units	0	0	0	0	0
1.4 Loans	0	0	0	0	0
1.5 Other	0	3,082	0	0	3,082
2. Financial liabilities held for trading	0	0	0	0	0
2.1 Debt securities	0	0	0	0	0
2.2 Liabilities	0	0	0	0	0
2.3 Other	0	0	0	0	0
3. Financial assets and liabilities: exchange rate differences exchange	0	0	0	0	0
4. Derivatives	0	0	0	207	-207
4.1 Financial derivatives	0	0	0	207	-207
- On debt securities and interest rates	0	0	0	207	-207
- On equities and share indices	0	0	0	0	0
- On currencies and gold	0	0	0	0	0
- Other	0	0	0	0	0
4.2 Credit derivatives	0	0	0	0	0
of which: natural hedges linked to the fair value option	X	X	X	X	0.00
Total	4.31G	8,037	882	3.61G	7,555

Notes:

The table shows the profit attributable to the portfolio of financial assets held for trading. The item 'Trading gains on financial assets – Other' includes gains arising from the disposal of tax credits amounting to 654 mgl and gains realised on currency trading amounting to 2,463 mgl.

Section 5 – Net result from hedging activities – Item G0

5.1 Net result from hedging activities: breakdown

Income components/Amounts	Total 31/12/2025	Total 31/12/2024
A. Income relating 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 Financial derivatives used for cash flow hedging	0	0
A.5 Assets and liabilities denominated in foreign currencies	0	0
Total income from hedging activities (A)	0	0
B. Expenses relating to:		
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 Financial derivatives used for cash flow hedging	0	0
B.5 Assets and liabilities denominated in foreign currencies	0	0
Total hedging expenses (B)	0	0
C. Net result of hedging activities (A–B)	0	0
of which: net result of hedging on net positions	0	0

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

6.1 Gains (Losses) on disposal/repurchase: breakdown

Items/Income components	Total 31/12/2025			Total 31/12/2024		
	Gains	Losses	Net Net	Profits	Losses	Net Net
A. Financial assets						
1. Financial assets measured at amortised cost	1,732	33	1,699	1,274	569	705
1.1 Loans to banks	0	0	0	0	0	0
1.2 Loans to customers	1,732	33	1,699	1,274	569	705
2. Financial assets measured at fair value through comprehensive income	498	0	498	965	0	965
2.1 Debt securities	498	0	498	965	0	965
2.2 Loans	0	0	0	0	0	0

Income items/components	Total 31/12/2025			Total 31/12/2024		
	Profits	Losses	Net Net	Profits	Losses	Net Net
Total assets	2,230	33	2.1G7	2,23G	56G	1,670
B. Financial liabilities measured at amortised cost						
1. Bank borrowings	0	0	0	0	0	0
2. Amounts owed to customers	0	0	0	0	0	0
3. Securities in issue	13	0	13	20	0	20
Total liabilities	13	0	13	20	0	20

Notes:

The table shows the profit arising from the disposal of financial assets other than those held for trading.

The gains of €2,230 mgl. arise from the disposal of financial assets measured at amortised cost carried out during 2025, amounting to €1,732 thousands, and from the disposal of financial assets measured at fair value through profit or loss, totalling €498 mgl.

Section 7 – Net profit or loss on other financial assets and liabilities measured at fair value through profit or loss – Item 110
7.1 Net change in value of other financial assets and liabilities measured at fair value through profit or loss: breakdown

Transactions/Income components	Capital gains (A)	Gains on disposal (B)	Capital losses (C)	Losses on disposal (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 Loans	0	0	0	0	0
2. Financial liabilities	0	0	0	0	0
2.1 Securities in issue	0	0	0	0	0
2.2 Bank borrowings	0	0	0	0	0
2.3 Amounts owed to customers	0	0	0	0	0
3. Financial assets and liabilities denominated in foreign currencies: exchange rate differences	X	X	X	X	0
Total	0	0	0	0	0

Notes: The table shows the profit or loss attributable to the trading portfolio.

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

Transactions/Income components	Capital gains (A)	Gains on disposal (B)	Capital losses (C)	Losses on disposal (D)	Net result [(A+B) - (C+D)]
1. Financial assets	2,300	22	228	2G	2,064
1.1 Debt securities	139	20	1	29	128
1.2 Equity securities	0	0	0	0	0
1.3 Units in O.I.C.R.s	2,028	3	0	0	2,030
1.4 Loans	133	0	227	0	-94
2. Financial assets and liabilities denominated in foreign currencies: exchange rate differences	X	X	X	X	0
Total	2,300	22	228	2G	2,064

Section 8 – Net impairment losses and reversals – Item 130
8.1 Net impairment losses for credit risk relating to financial assets measured at amortised cost: breakdown

Transactions/Income components	Value adjustments (1)						Reversals of impairment losses (2)				Total 31/12/2025	Total 31/12/2024
	Stage 1	Second stage	Stage 3		Impaired Acquired or originated		Stage 1	Second stage	Stage 3	Impaired Acquired or originated		
			Write-off	Other	Write-off	Other						
A. Loans to banks												
- Loans	-13	-1,760	-	0	0	0	11	42	0	0	-1,720	-624
- Debt securities	-	-	-	0	0	0	0	9	0	0	9	61
B. Loans and advances to customers			-	0	0	0	0	0	0	0	0	0
- Loans	-1,204	-5,530	-	-51,576	0	0	1,417	1,605	23,849	0	-31,440	-25,066
- Debt securities	-44	0	-	0	0	0	38	0	0	0	-6	-4
Total	-1,261	-7,260	-	-51,576	0	0	1,466	1,656	23,849	0	-33,156	-25,632

Notes:

The table summarises the impairment losses and reversals recognised in respect of the impairment of loans to customers.

Further details of value adjustments and reversals on loans – Item 130 of the profit and loss account

Segment description	Amount 2025	Amount 2024
LOANS TO BANKS:		
HTC securities – stage 1: write-downs	0	0
HTC securities – stage 2: adjustments	0	0
HTC titles – stage 2: reshoots	9	56
Adjustments to other receivables – stage 1	-13	-5
Recoveries of other receivables – stage 1	11	5
Adjustments to other receivables – stage 2	-1,760	-624
Reversals of other receivables – stage 2	42	0
LOANS TO CUSTOMERS:		
Non-performing loans – Value adjustments	-41,200	-35,820
Non-performing loans – Reversals of impairment losses	13,484	14,532
Probable defaults - Value recoveries	9,134	6,264
Probable defaults – Value adjustments	-9,266	-8,695
Restructured - Net value adjustments/reversals	0	0
Write-downs – Reversals	1,231	2,950
Matured - Value adjustments	-1,109	-3,867
Value adjustments – Performing loans – Stage 2	-5,433	-3,356
Reversals of impairment losses – Performing loans – Stage 2	1,605	2,778
Value adjustments – Bonis – Stage 1	-1,204	-1,789
Reversals of impairment losses – Performing loans – Stage 1	1,417	2,159
Losses without use of provision - Stage 1/2	-97	-222
Losses on other operations – Stage 1/2	0	0
HTC securities – Stage 1: adjustments	-44	-98
HTC titles – stage 1: reshoots	38	95
HTC Titles – Stage 2	0	0
Total – Net value adjustments/write-backs	-33,156	-25,637

8.1 a Net value adjustments for credit risk relating to loans measured at amortised cost subject to Covid-1G support measures: breakdown

Transactions/Income components	Net value adjustments						Total 31/12/2025	Total 31/12/2024
	Stage 1	Stage 2	Stage 3		Acquired or originated			
			Write-off	Other	Write-off	Other		
1. Loans granted in accordance with the GL	0	0	0	0	0	0	0	0
2. Loans subject to existing moratorium measures that no longer comply with the Lending Guidelines and are not assessed as eligible for approval	0	0	0	0	0	0	0	0
3. Loans subject to other granting arrangements	0	0	0	0	0	0	0	0
4. New funding	17	-135	0	-434	0	0	-552	1,976
Total as at 31 December 2025	17	-135	0	-434	0	0	-552	
Total as at 31 December 2024	2,350	3,012	0	-3,386	0	0		1.676

The table summarises the net impairment losses recognised in respect of the potential impairment of loans subject to Covid-19 support measures

8.2 Net credit impairment losses on financial assets measured at fair value through other comprehensive income: breakdown

Transactions/Income components	Value adjustments (1)							Reversals of impairment losses (2)				Total 31/12/2025	Total 31/12/2024
	Stage 1	Second stage	Stage 3		Acquired impaired or originating		First stage	Second stage	Stage 3	Acquired or originated impairment			
			Write-off	Other	Write-off	Other							
A. Debt securities	0	0	0	0	0	0	27	0	0	0	27	227	
B. Financing													

Transactions/Income components	Value adjustments (1)						First stage	Reversals of impairment losses (2)				Total 31/12/2025	Total 31/12/2024
	Stage 1	Second stage	Stage 3		Acquired impaired or originating			Second stage	Stage 3	Acquired or originated impairment			
			Write-off	Other	Write-off	Other							
- Loans to customers	0	0	0	0	0	0	0	0	0	0	0	0	
- Due to banks	0	0	0	0	0	0	0	0	0	0	0	0	
Total	0	0	0	0	0	0	27	0	0	0	27	227	

Notes:

The table summarises the impairment losses and reversals recognised in respect of the impairment of financial assets measured at fair value through other comprehensive income.

8.2a Net impairment losses due to credit risk relating to financial assets measured at fair value through other comprehensive income subject to Covid-1G support measures: breakdown

Transactions/Income components	Net impairment losses			Total 31/12/2025	Total 31/12/2024
	Stage 1 and 2	Stage 3			
		Write-offs	Other		
1. Loans granted in accordance with the GL	0	0	0	0	0
2. Loans subject to existing moratorium measures that no longer comply with the General Conditions and not assessed as eligible for approval	0	0	0	0	0
3. Loans subject to other granting arrangements	0	0	0	0	0
4. New funding	0	0	0	0	0
Total as at 31 December 2025	0	0	0	0	0
Total as at 31 December 2024	0	0	0	0	0

Section G – Gains (Losses) arising from contract modifications without cancellations – Item 140
G.1 Gains (Losses) arising from contract modifications: breakdown

Items/Income components	31/12/2025			31/12/2024		
	Gains	Losses	Net Net	Profits	Losses	Net Net
A. Financial assets						
1.1 Loans to customers	49	-224	-174	25	-419	-395
Total	4G	-224	-174	25	-41G	-3G5

Notes:

The table shows the profit or loss arising from contractual modifications to financial instruments that do not result in their derecognition from the balance sheet, but only in a different method of accounting (modification accounting), which involves recognising in the profit and loss account the difference between the carrying amount and the present value of the modified cash flows discounted at the original interest rate.

Section 10 – Administrative expenses – Item 160
10.1 Staff costs: breakdown

Type of expense/Amounts	Total 31/12/2025	Total 31/12/2024
1) Permanent staff	-35,381	-33,886
a) wages and salaries	-23,772	-23,426
b) social security contributions	-6,471	-6,171
c) severance pay	0	0
d) social security contributions	0	0
e) provision for staff severance pay	-1,595	-1,490
f) provision for pension and similar obligations:	0	0
- defined contribution	0	0
- defined-benefit	0	0
g) contributions to external supplementary pension schemes	-1,073	-1,012
- defined-contribution schemes	-1,073	-1,012
- defined-benefit	0	0
(h) costs arising from payment arrangements based on own equity instruments	0	0
i) other employee benefits	-2,470	-1,788
2) Other staff in active service	-61	-58
3) Directors and statutory auditors	-955	-904
4) Retired staff	0	0
5) Reimbursement of expenses for staff seconded to other companies	0	0
6) Reimbursement of expenses for third-party employees seconded to the company	0	0

Type of expenses/Amounts	Total as at 31 December 2025	Total 31/12/2024
Total	-36.3G6	-34,848

Notes:

The increase in this item during the period of €1,548 thousand (4.44%) is mainly attributable to costs associated with the renewal of the sectoral collective agreement amounting to €646 thousand and to the increase in other employee benefits amounting to €682 thousand. The increase in this item stems mainly from costs associated with the early retirement incentive scheme amounting to €470 thousand, as well as from the rise in costs relating to the welfare scheme (meal vouchers, health and accident insurance policies for employees).

10.2 Average number of employees by category

Description	Figures as at 31 December 2025	Figures as at 31 December 2024
Permanent staff	418	410
a) Senior management	4	4
b) Middle managers	124	115
c) Other staff	290	291
Other staff	8	2
Total	426	412

Exact number of employees by category

Description	Figures as at 31 December 2025	Figures as at 31 December 2024
Permanent staff	435	424
a) Senior management	4	4
b) Middle managers	126	117
c) Other staff	305	303
Other staff	5	6
Total	440	430

10.4 Staff costs: other employee benefits

Type of expense/Amounts	Total 31/12/2025	Total 31/12/2024
1) Meal vouchers for employees	-627	-589
2) Loyalty bonus	0	0
3) Other employee-related expenses	-1,373	-1,199
4) Retirement incentives	-470	0
Total	-2,470	-1,788

10.5 Other administrative expenses: breakdown

Items/Amounts	Total 31/12/2025	Total 31/12/2024
1. Insurance and supervision	-816	-730
2. Advertising and representation	-2,134	-1,825
3. Rental income from property	-257	-220
4. Maintenance, repair and conversion of movable and immovable property	-1,209	-1,179
5. Electricity, heating and cleaning of premises	-1,177	-1,402
6. Telex, telephone and postal charges	-1,009	-991
7. Data processing costs	-4,851	-5,135
8. Printed matter and stationery	-241	-283
9. Fees paid to external professionals	-5,779	-5,145
10. Debt recovery costs	0	0
11. Technical support and maintenance of software products	-10,473	-10,051
12. Information and searches	-1,539	-1,537
13. Charitable donations charged to the profit and loss account	-544	-8
14. Treasury costs	-3	-2
15. Travel and transport expenses	-583	-596
16. Indirect taxes and duties	-8,057	-7,368
17. Systemic charges	-348	-3,971
- Contribution to the Resolution Fund – Ordinary	0	0
- Contribution to the Resolution Fund – Additional	0	0
- Contribution to the Interbank Deposit Protection Fund	-309	-3,971
- Ordinary contributions to the Life Insurance Guarantee Fund	-39	0
18. Other miscellaneous costs	-2,279	-1,858
Total	-41.2GG	-42,302

This item shows a reduction of €1,003 thousand (-2.37%) in the current financial year, mainly due to a reduction in systemic charges of €3,623 thousand. This reduction was largely offset by the increase recorded during the period in stamp duty expenses (+535 thousand), which was largely offset by the increase in recoveries from customers allocated to other operating income, fees paid to professionals (+634 thousand), and charitable donations (+536 thousand).

With regard to systemic charges, it should be noted that, for the Interbank Deposit Protection Fund (FITD), the contribution period ended in the 2024 financial year following the reaching of the ceiling set by the Fund itself; the Fund's Board determined the amount of the contribution due from the banks for 2025, with the Bank being charged its share of 309 thousand euros.

During 2025, a contribution payable to the Life Insurance Guarantee Fund was introduced – to be borne by companies and insurance intermediaries – amounting to €39 thousand for the Bank.

Section 11 – Net provisions for risks and charges – Item 170
11.1 Net provisions for credit risk relating to commitments to disburse funds and financial guarantees issued: breakdown

Transactions/Income components	Value adjustments (1)			Reversals of impairment losses (2)		Total 31/12/2025	Total 31/12/2024
	First and second stage	Third stage		First and second stage	Third stage		
		Write-off	Other				
A. Commitments to disburse funds	0	0	0	0	0	0	0
B. Financial guarantees issued	-181	0	-720	114	396	-391	-286
Total	-181	0	-720	114	396	-391	-286

11.2 Net provisions relating to other commitments and guarantees given: breakdown

Transactions/Income components	Value adjustments (1)			Reversals of impairment losses (2)		Total 31/12/2025	Total 31/12/2024
	Stage one and two	Third stage		First and second stage	Third stage		
		Write-off	Other				
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

11.3 Net provisions for risks and charges: breakdown

Items/Amounts	Total 31/12/2025	Total 31/12/2024
1. Provisions for ongoing litigation	-817	-1,121
2. Provisions for other items	0	0
3. Reversals of provisions for ongoing litigation	276	2,947
Total	-541	1,826

Section 12 – Net impairment losses/reversals on tangible assets – Item 180
12.1 Net value adjustments on tangible assets: breakdown

Asset/Income component	Depreciation (a)	Impairment losses (b)	Reversals of impairment losses (c)	Net result (a+b-c)
A. Tangible assets				
1. For operational use	-5,177	0	0	-5,177
- Owned	-2,934	0	0	-2,934
- Rights of use acquired through leasing	-2,243	0	0	-2,243
2. Held for investment	0	0	0	0
- Owned	0	0	0	0
- Rights of use acquired through leasing	0	0	0	0
3. Inventories	X	0	0	0
Total	-5,177	0	0	-5,177

Section 13 – Net impairment losses/reversals on intangible assets – Item 1G0
13.1 Net value adjustments on intangible assets: breakdown

Asset/Income component	Amortisation (a)	Impairment losses (b)	Reversals of impairment losses (c)	Net result (a+b-c)
A. Intangible assets	-2,001	0	0	-2,001
of which: software	-1,537	0	0	-1,537
A.1 Owned	-2,001	0	0	-2,001
- Generated internally by the company	0	0	0	0
- Other	-2,001	0	0	-2,001
A.2 Rights of use acquired through leasing	0	0	0	0
Total	-2,001	0	0	-2,001

Section 14 – Other operating income and expenses – Item 200
14.1 Other operating expenses: breakdown

Items/Amounts	Total 31/12/2025	Total 31/12/2024
1. Contingent liabilities and write-offs	-105	-276
2. Contributions to guarantee funds	0	0
3. Depreciation on third-party assets	-230	-229
4. Legal defence costs	-42	-7
Total	-376	-512

Notes: The item 'Losses on legal proceedings' reflects the impact on the profit and loss account of payments made following the settlement of pending legal proceedings, for the portion exceeding the provisions for risks set aside in previous financial years.

14.2 Other operating income: breakdown

Items/Amounts	Total 31/12/2025	Total 31/12/2024
1. Reimbursements of expenses	7,780	7,980
2. Unexpected income and write-offs	28	52
3. Other income	801	449
Total	8,610	8,481

Section 15 – Gains and losses on equity investments – Item 220

15.1 Gains (losses) on investments: breakdown

Income component/Values	Total 31/12/2025	Total 31/12/2024
A. Income		
1. Revaluations	0	442
2. Gains on disposals	946	0
3. Reversals of impairment losses	0	0
4. Other income	260	0
B. Expenses		
1. Write-downs	0	0
2. Impairment losses	0	0
3. Losses on disposal	0	0
4. Other expenses	439	0
Net profit	767	442

Notes:

Line A.2 'Gain on disposal' refers to the gain realised on the disposal of the shares held in Cabel Industry S.p.A for 946 mgl.

Section 17 – Goodwill value adjustments – Item 240

17.1 Goodwill value adjustments: breakdown

Income component/Amounts	Total 31/12/2025	Total 31/12/2024
Acquisition of Invest Banca (merger by incorporation)	0	0
Total	0	0

Section 18 – Gains (Losses) on disposal of investments – Item 250

18.1 Gains (losses) on disposal of investments: breakdown

Income component / Amounts	Total 31/12/2025	Total 31/12/2024
A. Property		
- Gains on disposal	0	0
- Losses on disposal	0	-236
B. Other assets		
- Gains on disposal	8	11
- Losses on disposal	-9	-9
Net profit	-1	-234

Section 1G – Income tax for the year on continuing operations – Item 270

1G.1 Income tax for the financial year on continuing operations: breakdown

Income components/Amounts	Total 31/12/2025	Total 31/12/2024
1. Current tax (-)	-3,688	-274
2. Change in current tax from previous financial years (+/-)	0	0
3. Reduction in current tax for the financial year (+)	0	0
3a. Reduction in current tax for the financial year due to tax credits under Law No. 214/2011 (+)	0	0
4. Change in deferred tax assets (+/-)	2,382	-2,095
5. Change in deferred tax assets (+/-)	-20	14
6. Tax for the financial year (-) (-1+/-2+3+3a+/-4+/-5)	-1,326	-2,355

Notes:

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

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

Income components/Amounts	Total 31/12/2025	Total 31/12/2024
- IRES	-863	-1,572
- IRAP	-463	-784
- Other taxes	0	0
Total	-1,326	-2,355

1G.2 Reconciliation between theoretical tax charge and actual tax charge in the financial statements

Items/Amounts	IRES	Rate	IRAP	Rate
(A) Profit (Loss) from continuing operations before tax	8,356		8,356	
(B) Income tax – Theoretical charge	2,298	27.50%	465	5.57%
Decreases in the tax base	7,495	27.50%	2,953	5.57%
Increases in the tax base	9,454	27.50%	9,880	5.57%
Taxable amount	10,315		15,282	
Income tax – Effective tax charge	-2,837	27.50%	-851	5.57%
Prepaid/deferred tax	1,974	27.50%	388	5.57%
Total tax	-863		-463	
Total tax	-1,326			
Effective tax rate	-15.87%			

Section 20 – Profit (Loss) from discontinued operations, net of tax – Item 2G0

20.1 Profit (loss) from discontinued operations, net of tax: breakdown

Income components/Figures	31/12/2025	31/12/2024
1. Income	0	0
2. Expenses	0	0
3. Result of the valuation of the business group and associated liabilities	0	0
4. Gains (losses) on disposal	0	0
5. Taxes and duties	0	0
Profit (loss)	0	0

PART D – Comprehensive income

ANALYTICAL STATEMENT OF COMPREHENSIVE INCOME

	Items	31/12/2025	31/12/2024
10	Profit (Loss) for the year	7,030	14,005
	Other comprehensive income not reclassified to the profit and loss account		
20	Equity securities designated at fair value through other comprehensive income:	174	31
	a) changes in fair value	174	31
	b) transfer to other components of equity	0	0
30	Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness)	0	0
	a) changes in fair value	0	0
	b) transfer to other components of equity	0	0
40	Hedging of equity securities designated at fair value through profit or loss comprehensive income	0	0
	a) changes in fair value (hedged instrument)	0	0
	b) changes in fair value (hedging instrument)	0	0
50	Tangible assets	0	0
60	Intangible assets	0	0
70	Defined benefit plans	83	-15
80	Non-current assets and disposal groups	0	0
90	Share of valuation reserves relating to equity-accounted investments	0	0
100	Income tax relating to other income components not reclassified to the income statement	0	0
	Other income components reclassified to the profit and loss account		
110	Hedging of foreign investments:	0	0
	a) changes in fair value	0	0
	b) reclassification to the profit and loss account	0	0
	c) other changes	0	0
120	Exchange rate differences:	0	0
	a) changes in value	0	0
	b) reclassification to the 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) reclassification to the profit and loss account	0	0
	c) other changes	0	0
	of which: net position results	0	0
140	Hedging instruments (undesignated items)	0	0
	(a) changes in fair value	0	0
	b) reclassification to the profit and loss account:	0	0
	c) other changes	0	0
150	Financial assets (other than equity securities) measured at fair value through on comprehensive income:	1,565	5,603
	a) changes in fair value	1,337	4,921
	b) reclassification to the profit and loss account:	228	682
	- credit risk adjustments	0	0
	- gains/losses on disposal	228	682
	c) other changes	0	0
160	Non-current assets and disposal groups:	0	0
	a) changes in fair value	0	0
	b) reclassification to the profit and loss account	0	0
	c) other changes	0	0
170	Share of the valuation reserves relating to equity-accounted investments	-65	0
	a) changes in fair value	82	0
	b) reclassification to the profit and loss account:	-147	0
	- impairment adjustments	0	0
	- gains/losses on disposal	-147	0
	c) other changes	0	0

	Items	31 December 2025	31/12/2024
180	Income tax relating to other income components, transferred to the income statement	0	0
1G0	Total other comprehensive income	1,758	5,620
200	Overall profitability (Item 10 + 1G0)	8.78G	1G,625

International accounting standards allow financial instruments to be allocated to different portfolios to which accounting criteria apply that involve the recognition of costs or revenues directly in specific equity reserves without passing through the profit and loss account. This statement enables the assessment of comprehensive income by taking into account the income items accrued and realised during the financial year that have been recognised directly in equity, whilst offsetting those components that have already accrued and were therefore recognised in equity in previous financial years but are subject to a second and final recognition in the profit and loss account (reversal) at the time of actual realisation.

PART E – Information on risks and related hedging policies

Introduction

The Bank conducts its business in accordance with sound and prudent management principles and with a moderate appetite for risk, in line with the need for stability inherent in the banking business.

The overall risk appetite is measured in summary form by identifying, within the Bank's capital resources ('own funds'), a capital component not intended for risk-taking (unexpected losses), but aimed at supporting medium- to long-term development and providing capital coverage against the impacts of unexpected stress events.

The Bank's internal control system ensures the implementation of corporate strategies and policies and consists of the set of rules, procedures and organisational structures designed to ensure compliance with the principles of sound and prudent management.

The corporate bodies have primary responsibility for ensuring, in accordance with their specific remits, the completeness, adequacy, effectiveness and reliability of the internal control system.

The Bank has adopted a traditional governance model comprising the Board of Directors, the Board of Statutory Auditors and the General Management.

The Board of Directors is responsible for the strategic oversight and management of the Bank, in which the General Management also participates, whilst the audit function is assigned to the Board of Statutory Auditors.

The Board of Directors defines the business model by approving the strategic business plan and annual budgets, whilst being fully aware of the risks to which this model exposes the Bank and understanding the methods by which these risks are identified and assessed. The Board of Directors, always within the guidelines established at Group level, defines and approves strategic guidelines and ensures their periodic review; it establishes the risk appetite and the related tolerance thresholds, as well as risk management policies, ensuring that the Bank's structure is consistent with its activities and the business model adopted.

The Board of Directors approves, at least annually, the Group's "Risk Appetite Framework (RAF)" and "Enterprise Risk Management Policies", which define the risk appetite, tolerance thresholds, limits, and the rules and methodologies for monitoring risks. These documents set out, at the level of each individual legal entity, specific risk indicators with their respective warning thresholds, identifying the functions responsible for specific control mechanisms and establishing dedicated information flows. The Group's risk management system also includes the internal capital adequacy assessment process (ICAAP) and the internal liquidity risk governance and management system (ILAAP).

The Board of Directors is supported by the Risk Committee, an internal board body that performs advisory and propositional functions regarding risks and the internal control system.

Senior Management has a full understanding of the business risks and oversees the implementation of the strategic guidelines and risk governance policies defined by the Board of Directors. In particular, it proposes operational limits on the assumption of various types of risk, taking into account the stress tests conducted by the relevant functions, in accordance with the Bank's internal policies.

With a view to facilitating the development and dissemination of a risk control culture at all levels, the Executive Management, on the basis of the proposals made, plans training programmes for the Bank's staff.

The Board of Statutory Auditors carries out periodic reviews to verify the completeness, adequacy, effectiveness and reliability of the internal control system.

In carrying out its duties, the Board of Statutory Auditors receives adequate information flows from the other corporate bodies and the control functions. The Board of Statutory Auditors' regular attendance at Board meetings, which are held twice a week, ensures that the Supervisory Body is promptly informed of management developments.

The sound and prudent management of banks is ensured by an appropriate corporate structure, which includes a comprehensive and effective internal control system.

In particular, the Bank's internal control system is structured across three distinct levels:

- First-level (line) controls: designed to ensure that operations are carried out correctly. These are carried out by operational departments or incorporated into procedures and IT systems, or performed as part of back-office activities.
- Second-level controls on risks and compliance, which aim, amongst other things, to ensure:
 - the proper implementation of the risk management process;
 - compliance with the operational limits assigned to the various functions;
 - ensuring that the company's operations comply with regulations, including self-regulatory standards.

Under the organisational structure, second-level controls are the responsibility of the Risk Management Department, the Compliance Department and the Anti-Money Laundering Department. The functions responsible for these controls are separate from operational functions; they contribute to the definition of risk governance policies and the risk management process.

- Third-level controls (Internal Auditing): aimed at identifying breaches of procedures and regulations, as well as periodically assessing the completeness, adequacy, effectiveness and reliability of the internal control system and the information system.

The corporate control functions responsible for second- and third-level controls have the authority, resources and expertise necessary to carry out their duties.

In accordance with supervisory requirements, the corporate organisation chart provides for the corporate control functions to report hierarchically and functionally to the Board of Directors.

The control functions have access to all activities carried out by the Bank, both at head office and at branch offices, as well as to any information relevant to the performance of their duties.

Pursuant to Law 231/01, there is a dedicated Supervisory Body of a collegial nature, tasked with assessing the proper functioning of the organisational safeguards adopted by the Bank to prevent involvement in acts punishable under and for the purposes of Law 231 of 2001. It reports periodically, as set out in the Organisational Model, to the Bank's Board of Directors. The risks to which the Bank is or may be exposed are:

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

The focus on managing climate and environmental risks is of strategic importance. In line with the Bank of Italy's 'Supervisory Expectations', the Bank has adopted an action plan that identifies the specific measures to be implemented in order to put the principles of sustainable finance into practice. A project has been underway for some time aimed at the gradual integration of climate and environmental risks into governance and control systems, the business model and corporate strategy, the organisational structure and operational processes, in accordance with supervisory expectations regarding climate and environmental risks. To ensure that the board of directors, first and foremost, and the organisational structure can effectively meet these expectations, an annual training programme has been planned for members of the Board of Directors and the Board of Statutory Auditors, senior management and the heads of the main corporate functions. The ESG Project is coordinated by a cross-functional working group comprising the heads of the Compliance, Risk Management, Finance, Credit and Organisation functions.

A 'Sustainability Committee' has also been established; this is a management committee comprising senior executives, tasked with coordinating climate and environmental issues and supporting the Board of Directors in assessing and examining sustainability strategies relating to the Bank's operations. The ESG Action Plan, approved by the Board of Directors in December 2022 and aimed at promoting progressive alignment with expectations in the areas of credit risk and investment services, is monitored quarterly by the Sustainability Committee to assess its implementation status.

The Bank, which belongs to a banking group classified, in accordance with Bank of Italy Circular 285/2013, as a Class 2 intermediary for the measurement of capital requirements against quantitative risks, adopts:

- for credit/counterparty risks and market risks, the standardised approach (TSA),
- for operational risks, the Basic Indicator Approach (BIA),
- for concentration risk and interest rate risk, the simplified methodologies set out in Annexes B and C/C bis respectively of the Bank of Italy's Circular 285/2013 and subsequent updates.

The Cambiano Banking Group, in compliance with the provisions relating to Pillar III, prepares the Disclosure to the Public relating to the 2025 Consolidated Financial Statements, available on the website www.bancacambiano.it.

Section 1 – Credit risk

Qualitative information

1. General aspects

The Bank's strategies, Risk Appetite Framework, authorisations and rules for the granting and management of credit are geared towards:

- achieving a sustainable growth target for lending activities that is consistent with the Bank's risk appetite and value creation;
- portfolio diversification, limiting the concentration of exposures to individual counterparties/groups and to individual sectors of economic activity;
- the efficient selection of business groups and individual borrowers, through a thorough creditworthiness analysis aimed at mitigating the risk of default;
- prioritising lending initiatives aimed at supporting the real economy and the productive sector;
- the constant monitoring of relationships, carried out both through IT procedures and through systematic surveillance of positions, with the aim of promptly identifying any signs of imbalance and promoting corrective measures designed to prevent the possible deterioration of the relationship.

The ongoing monitoring of the quality of the loan portfolio is achieved through the adoption of precise operational procedures at all stages of managing the credit relationship.

The bank's lending activity is conducted in line with the management guidelines set out in the Business Plan and is directed towards local economies, primarily in the retail, small business and small and medium-sized enterprise markets. To a lesser extent, lending activity is directed towards the corporate market.

The factors giving rise to credit risk stem from the possibility that an unexpected change in the creditworthiness of a counterparty, to which the bank has an exposure, may result in a corresponding unexpected change in the current value of the related credit exposure.

Credit risk is therefore not confined solely to the insolvency of a counterparty, but also includes a mere deterioration in its creditworthiness.

The assumption and management of credit risk are regulated through the formalisation of the underlying process, setting out in detail the role of the corporate bodies, the operations of all parties involved, defining first-level controls and clarifying the role of the control functions.

The Non-Performing Loans Division, which falls under the Business Directorate, comprises the 'Litigation Management' function, the 'Management of Anomalous Performing Loans' function and the 'Management of PD and UTP Loans' function. The Anomalous Loans Division manages, at group level and in accordance with procedures established from time to time by internal regulations, individual anomalies and positions presenting anomalous situations, regardless of whether they are classified as performing or non-performing, with the exception of non-performing loans, which are managed by the Litigation Management Function. It supports the Branch Network in carrying out peripheral monitoring of individual anomalies and problematic positions, as well as in defining and implementing corrective actions aimed at ensuring the smooth running of the credit process. This activity is designed to promote proactive credit risk management and the implementation of management strategies aimed at improving the Bank's credit quality.

The Anomalous Performing Loans Management Function manages positions in 'stage 2'.

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 the positions under its responsibility is carried out by adopting appropriate out-of-court measures to effectively safeguard the Bank's credit claims, and promotes all useful actions to regularise the positions under its responsibility and minimise expected losses.

The Litigation Management Function is responsible for managing positions classified as non-performing loans, in particular, it oversees debt recovery activities both through out-of-court measures—conducted directly where appropriate—and by monitoring the work carried out by external solicitors on the cases assigned to them; it provides periodic reports on the aggregate of non-performing positions and on recovery forecasts; for non-performing loans, it checks the reasonableness of solicitors' fees and takes all possible measures (e.g. drawing up agreements, performance-based arrangements, etc.) to minimise costs relating to external professionals (solicitors, technical experts, etc.), and manages activities related to mediation procedures in the context of debt recovery.

The management of impaired loans is carried out in accordance with the Service Regulations and the specific Policy on the valuation of impaired loans.

The Credit Control Function, which forms part of the Business Division's support staff, oversees the credit risk monitoring process at company-wide level, with a view to identifying, including on a forward-looking basis, any potential critical developments; this activity is carried out as part of second-tier first-level controls and with the aim of providing credit managers and the PD and UTP Credit Management Function with the information necessary to take the appropriate measures, as well as providing Risk Management with the information required to carry out second-level checks on credit risks.

As part of the risk management and assumption procedures adopted, the first line of defence is located at branch level, both through constant and ongoing dialogue with customers and by utilising internal and external information sources, including with the aid of IT procedures.

During the credit assessment and review stages, the Bank analyses the customer's financial needs and the documentation required to carry out an adequate assessment of the borrower's creditworthiness. The decision to grant credit is therefore based both on an analysis of the complete set of information relating to the borrower and on direct knowledge of the customer and the economic context in which they operate. All assessment activities relating to the operational process – leading to the disbursement and periodic review of the credit facility – are carried out with the aim of granting an appropriate level of credit at the level of the individual borrower (and/or group), utilising the most suitable forms of credit facility and ensuring an appropriate remuneration for the risk assumed.

The Board of Directors has defined, within the framework of the "Credit Risk Regulations", the decision-making powers of each body delegated to grant credit. Compliance with the delegated powers authorised by the Board of Directors is ensured by the automatic controls provided for in the "Easy Loans" IT procedure, which is used to manage the credit assessment process.

2.2 Management, measurement and control systems

The systems for managing, measuring and controlling credit risk operate within an organisational framework that encompasses the entire credit process cycle, from the initial assessment phase through to periodic review, right up to revocation and recovery. The Bank also carries out quantitative and qualitative analyses for the purposes of measuring and periodically monitoring credit risk. In particular, quantitative assessments make use of various tools that provide information on the customer's economic, financial and capital position.

The Credit Department, under the Business Division, oversees and coordinates the operational stages of the performing credit process, carries out the assessment stages and makes decisions within the scope of its delegated authority, and performs the first-level controls falling within its remit. The "Non-Performing Loans Division", also under the Business Division, is responsible for supervising and coordinating the operational stages of the non-performing loan process.

To support these activities, the Bank adopts specific procedures for the assessment and approval stages, the renewal of credit facilities and the monitoring of credit risk.

During these stages, the Bank uses qualitative and quantitative methods for assessing creditworthiness, supported by IT procedures that are subject to periodic review and maintenance.

The assessment, approval and review of credit facilities are governed by a decision-making process supported by the 'Easy Loans' PEF IT procedure, which enables all functions responsible for credit management to verify the status of each position already granted or in the process of being granted, as well as to reconstruct the relevant process by tracking the decision-making path and the types of analysis carried out.

To streamline procedures, two levels of review have been established: one, a simplified process with reduced formalities, reserved for the renewal of credit facilities of limited amounts and with a regular performance history; the other, an ordinary process, for all other types of applications. The Early Management Function, within the Credit Department, aims to oversee the process of granting forbearance measures, with a view to enabling the effective identification of 'economically sustainable' forbearance measures, as well as ensuring proactive management of the first signs of irregularities and weakness on the part of the counterparty to whom credit has been granted.

The definition of criteria for the classification, assessment and management of impaired positions, and of methodologies for monitoring credit risk trends, is also intended to enable the Credit Control Office to carry out systematic monitoring of credit positions in close collaboration with the branch network.

This activity is supported by an IT procedure that enables the periodic extraction of all reports that may show signs of performance anomalies, whether internal or external.

The constant monitoring of alerts generated by the system, together with the identification of other types of events, therefore enables the Bank to intervene promptly when anomalous positions arise and to take appropriate action in cases of problematic loans.

All credit positions are also subject to periodic review, carried out for each individual counterparty or group of related customers.

Second-level checks are carried out by the Risk Manager; this function is responsible for conducting checks to verify, on a regular 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 accordance with internal and supervisory regulations, and that these processes are effective and reliable in terms of their ability to promptly signal the emergence of anomalies and to ensure the adequacy of value adjustments and related write-offs.

Credit risk, like other risks, is mapped within the RAF process, which is defined by specific objectives and tolerance thresholds; The Risk Management Function therefore oversees credit risk management by periodically monitoring and verifying compliance with the risk objectives, operational limits and risk indicators defined by the Board of Directors, in accordance with the procedures and timelines set out in the RAF Regulations and in the risk management processes. Furthermore, the Function provides prior opinions on the consistency of major credit transactions (so-called OMRs) with the RAF, as defined in the relevant regulations approved by the Board of Directors, seeking, where appropriate and depending on the nature of the transaction, the opinion of other functions involved in the risk management process. The entire credit and counterparty risk management process (risk measurement, assessment, disbursement, performance monitoring and tracking of exposures, review of credit lines, classification of risk positions, actions in the event of anomalies, classification criteria, and the assessment and management of impaired exposures) is formalised in the Bank's internal regulations.

The Bank confirms its use of the 'ordinal' creditworthiness classification system which, in a nutshell, aims to assign a unique rating to clients by integrating qualitative and quantitative information.

It should be noted in this regard that the assessments produced by the system constitute a limit on the exercise of credit approval delegations.

For the purposes of determining the minimum capital requirement for credit risk, the Bank adopts the standardised approach.

With regard to the internal capital adequacy assessment process (ICAAP), the Bank uses the simplified algorithm known as Granularity Adjustment (see Annex B, Title III, Chapter 1 of Circular 285/2013) to quantify the internal capital required to cover concentration risk for individual counterparties or groups of connected customers.

As part of its ICAAP analysis, the Bank carries out stress tests relating to credit and concentration risks and, with specific reference to credit risk, recalculates the internal capital required to cover the new level of risk in the credit portfolio, as redefined on the basis of any increase in the proportion of impaired exposures within the Bank's lending portfolio. It also determines the impact on total capital (own funds) resulting from the reduction in expected profit due to the increase in loan write-downs.

With regard to operations on the securities markets, the Bank's Finance Department carries out assessments and controls both at the time of acquiring financial instruments and at subsequent stages, during which the composition of the portfolio by asset class and IAS/IFRS portfolio is periodically analysed, the level of specific or counterparty risk is identified and determined, and compliance with the assigned limits and authorisations is verified. The results of these analyses are discussed periodically by the Finance Committee, within which the Risk Management Function presents its assessments in line with the Risk Appetite Framework.

2.3 Methods for measuring expected losses

Expected loss is calculated as the product of exposure, probability of default and Loss Given Default.

IFRS 9 provides for 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 commitments to disburse loans. This model is characterised by a forward-looking approach, which requires the immediate recognition of credit losses even if they are only expected.

The Bank's stage allocation model, based on an approach that considers each individual relationship – or tranche in the case of debt securities – for the purpose of measuring the significant increase in credit risk from the date of initial recognition of the financial instrument to the date of measurement, involves the use of both qualitative and quantitative criteria.

More specifically, the transition of a financial instrument from stage 1 to stage 2 is determined by the occurrence of one of the following variables:

- a change in the probability of default used for internal management purposes. This is, therefore, an assessment carried out using a 'relative' criterion. In accordance with the current framework of the Bank's internal rating system, this criterion stipulates that the following fall within Stage 2:
 - performing exposures with a default risk of 1, 2, 3 or 4 at the initial recognition date, for which a final classification of at least 10 has been recorded;
 - performing exposures with a default risk of 5 or 6 at the initial recognition date, for which a 'jump' of 6 classes in the internal operational PD has been recorded;
 - performing exposures with a default risk of 7, 8, 9 or 10 at the initial recognition date for which a 'jump' of 5 classes in the internal PD has been recorded;
 - performing exposures with a default risk of 11 at the initial recognition date, for which a 'jump' of 4 classes in the internal PD has been recorded;
- the presence, where applicable, of a past-due exposure which – subject to the materiality thresholds identified by the regulations – has been past due for at least 30 days. In such cases, in other words, the credit risk of the exposure is presumed to be 'significantly increased' and, consequently, the exposure is 'moved' to Stage 2 (where it was previously classified in Stage 1);
- the presence of any forbearance measures, which – again on a presumptive basis – result in the classification of exposures as having a credit risk that is 'significantly increased' compared with the initial classification;
- finally, for the purposes of transition between 'stages', certain indicators from the credit monitoring systems specifically used are taken into account. In particular, this refers to so-called 'watch-list' positions, i.e. positions placed under observation due to individual signs of critical issues.

In the current system for determining corporate ratings for non-retail clients, the financial statement component is not included in the quantitative rating but is taken into account at the level of subjective assessment via a qualitative questionnaire.

The Risk Management Function has defined a process for the automatic classification into Stage 2 of counterparties in the portfolio that exhibit the following risk indicators linked to anomalies in financial statement data:

- Positions with EBITDA $\leq$ 0 in the most recent financial statements filed;
- Positions with equity $<$ 0 in the most recent financial statements submitted.

The scope of application has been restricted to corporate counterparties (limited liability companies (Srl), public limited companies (Spa), joint-stock companies (Sapa), as well as cooperatives and any corresponding foreign entities), for which one of the two indicators mentioned above is present in the most recent annual financial statements submitted. Furthermore, all positions for which the most recent financial statements on file are more than three years old have been excluded. The criteria and the resulting classification are checked automatically during the monthly staging allocation process.

In order to adjust the value adjustments for positions included within the scope, the Bank modifies the rating class by assuming the minimum rating step required for classification into Stage 2 in accordance with the staging allocation criteria by rating, resulting in a corresponding change to the PD applied in the IFRS 9 model calculation.

The Staging Allocation model is a symmetric model, i.e. it provides for the transition from Stage 1 to Stage 2 and vice versa. In particular, if a financial instrument had been classified in Stage 2 at the previous balance sheet date, but at the current balance sheet date it no longer meets the requirements for recognising a provision equal to the expected losses over the entire 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 relating to the quantitative and qualitative parameters that determine the staging (for example, with regard to forbore exposures). In light of the above, following changes to these parameters and the consequent reallocation to Stage 1, it is not considered necessary to take into account further periods of retention in Stage 2, as the sustainability of the improvement in the customer's creditworthiness is already assessed during the processes set out in the relevant regulations for each staging parameter.

For the purposes of allocating exposures to the various stages as at the date of first application of the standard, performing exposures were classified in stages 1 and 2, whereas non-performing exposures were allocated to stage 3. With regard to the latter exposures, it should be noted that the Bank aligns with the definition set out in Bank of Italy Circular No. 262/2005, namely that they correspond to the sum of past due and impaired exposures, probable defaults and non-performing loans, as defined by the 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 various credit risk stages has been determined, the expected loss – which represents an estimate of credit losses, weighted by their probability of occurrence – is calculated over a 12-month time horizon for loans classified in Stage 1, or over the entire expected remaining life of the financial instrument for loans classified in Stage 2.

A similar valuation model is therefore adopted for all loans classified in Stage 1 and Stage 2, the only distinguishing feature of which is the time horizon used to estimate the expected loss. The valuation model takes the following risk factors into account:

- **PD (Probability of Default)** – the probability of default, a parameter representing the probability that a counterparty will move from a 'performing' status to a 'default' status within a one-year time horizon (Stage 1) or over the entire expected life of the financial instrument (Stage 2). The probability of default is calculated on the basis of parameters determined internally by Banca Cambiano, followed by the inclusion of appropriate adjustments to account for the effects of so-called forward-looking information relating to the relevant macroeconomic scenarios;
- **LGD (Loss Given Default)** – the loss rate in the event of default, a parameter expressing, as a percentage, the proportion of the loss (net of recoveries) relative to the amount of the exposure that has defaulted, determined 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 varies according to the type of exposure and maturity: exposures with a 'deterministic' amortisation schedule with known cash flows and a known maturity, and 'stochastic' exposures with unknown cash flows and/or an 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. Exposures with an unknown amortisation schedule (for example, non-installment-based exposures such as current accounts) are instead valued using an EAD calculated on the basis of appropriate modelling that takes into account both the so-called 'on-balance' value of the exposure and the 'off-balance' component, which is considered potentially risky given the possibility that the customer may increase their drawdowns.

In determining expected losses, all reasonable and verifiable information available as at the balance sheet date without undue cost or effort is taken into account. The information used must take into account past events, current conditions and forecasts of future economic conditions.

Inclusion of government guarantees

With effect from the 2021 financial year, for loans granted under public guarantees established by emergency legislation, the Board of Directors, on the basis of a study conducted jointly with the IT outsourcing provider and with the assistance of KPMG, has approved a new methodology for calculating impairment that takes into account the presence of the government guarantee, not least in light of the significance that such loans have assumed in the 2020–2021 financial years. In particular, for the portion covered by a public guarantee, the PD and LGD parameters of the guarantor – namely the Italian State – are substituted for those of the customer, whilst for the unguaranteed portion, the customer's parameters continue to be used. The determination of the portion covered by the state guarantee also factors in the so-called residual risk, which has been prudentially set at 20 per cent; therefore, in the calculation of the write-down, the guaranteed portion is reduced by this percentage⁸.

Management overlays

As at 31 December 2025, the Risk Management Function assessed the adequacy of the management overlays applied to the Bank's credit portfolio, taking into account developments in the macroeconomic environment and the main sources of uncertainty relevant to the measurement of expected losses under IFRS 9. The Risk Management Function deemed it appropriate to confirm the application of the management overlays already in place since 2024, maintaining the same methods of calculation:

⁸ For example: in the case of an 80% government guarantee, the exposure is considered to be 64% guaranteed ($80\% - 20\% \times 80\%$).

Exposures secured by non-residential property

With regard to loans to businesses secured by non-residential property (commercial property), the Bank maintained the relevant management overlays throughout the 2025 financial year, given the continuing high-risk conditions in the commercial property sector at European level. For these positions, the management overlay was determined by applying an increased Loss Given Default (LGD), consistent with recovery profiles comparable to those of unsecured exposures, in place of the standard LGD applicable to positions secured by property.

The retention of management overlays on exposures secured by non-residential property resulted, with regard to the Bank's loan portfolio as at 31 December 2025, in an increase in write-downs totalling €650 thousand, of which:

- €137,000 relating to exposures classified as Stage 1;
- €513 thousand relating to exposures classified as Stage 2.

Management overlays on climate and environmental risks (ESG)

In line with regulatory and supervisory expectations regarding the integration of climate and environmental risks into risk management frameworks, the Bank maintained throughout the 2025 financial year the management overlays introduced to address ESG risks, as a first structured approach to incorporating these factors into the calculation of expected losses.

The add-ons applied are designed to capture, in a prudent manner, the potential effects of climate and environmental risks on the main components of the IFRS 9 model, with reference to both the probability of default of counterparties and the loss given default rates.

In particular:

- physical risk, defined as the risk of financial losses arising from extreme weather events or long-term phenomena linked to climate change. For this type of risk, the management overlay was determined by increasing the Loss Given Default applied to the most exposed counterparties, taking into account both properties used for business purposes and exposures secured by property collateral;
- transition risk, relating to the potential economic, financial and competitive impacts arising from the transition to a low-carbon economy. For counterparties most exposed to these factors, the management overlay was determined by applying a prudent increase to the Probability of Default.

The maintenance of management overlays on climate and environmental risks resulted, as at 31 December 2025, in an increase in total write-downs of €3.06 million, of which:

- €896,000 on exposures classified as Stage 1;
- €2.17 million on exposures classified in Stage 2.

The total impact of the management overlays as at 31 December 2025 therefore amounts to €3.71 million.

2.4 Credit risk mitigation techniques

The main tools for mitigating credit risk are the system of guarantees securing credit exposures, a low degree of concentration with respect to borrowing counterparties, and an adequate level of diversification of lending by credit type and sector.

In particular, with regard 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 related counterparties and to counterparties belonging to the same economic sector. These limits are constantly monitored by the Risk Management Department.

The management of collateral and the related operational processes are formalised within the Bank's internal regulatory framework.

The procedures for managing collateral are integrated into the information system, from which the key information relating to them can be obtained.

In order to mitigate credit risk, the Bank uses both security interests and personal guarantees. In particular, the main types of security interests used are property mortgages and financial security interests.

The IT system enables the entire process of acquiring, valuing, verifying and realising mortgage guarantees to be effectively monitored, identifying all relevant information. The procedure also allows for the periodic updating of the 'current' value of the security itself and for monitoring the adequacy of the security's value in relation to the approved risk. The ratio between the loan and the value of the asset serving as security is subject to constant monitoring to enable appropriate precautionary measures to be taken in the event of any downturns in the property market.

The organisational processes and operational guidelines applied to the management of pledges on financial instruments protect receivables from fluctuations in securities market prices.

Personal guarantees consist mainly of sureties provided by individuals and companies. It should also be noted that guarantees issued by specialised bodies (e.g. Confidi) and financial institutions (e.g. a government guarantee via Mediocredito Centrale pursuant to Law 662/1996) are utilised, as well as, most recently, government guarantees issued following the crisis triggered by the Covid-19 pandemic.

To date, the Bank does not use credit derivatives to hedge or transfer the risk associated with the loans in its portfolio.

The presence of security or personal guarantees is reflected in the quantification of ECLs in the financial statements.

As regards collective valuations, the main ‘transmission’ channel is the LGD, one of the input parameters used for the valuations: to this end, each exposure is divided into tranches, determined according to the different types of collateral securing the exposure, and a specific LGD is calculated for each tranche.

As regards analytical valuations, the existence and updating of the value of collateral are directly reflected in the case of a ‘gone concern’ valuation approach, applied – above certain thresholds – to all non-performing loans as well as to probable defaults where the 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 service its debt through cash flows generated by its business activities (going concern method). Under the ‘gone concern’ approach, specific haircuts are applied, incorporating estimates derived from auction results in property enforcement proceedings. The checks in question are carried out by centralised units separate from those responsible for granting and reviewing credit; the Internal Audit Department, through periodic checks, ensures that activities are managed correctly and prudently.

3. Impaired credit exposures

3.1 Management strategies and policies

On 27 March 2025, the Board of Directors approved the NPL Operational Plan (2025–2027), drawn up in accordance with the Bank of Italy’s Guidelines on impaired loans.

With a view to progressively aligning coverage levels with industry averages, the Board of Directors, at its meeting on 19 December 2025, approved certain amendments to *Policy No. 031 – Rules for the classification and valuation of the loan portfolio*, as detailed below:

- Revision of discounting periods for positions classified as UTP: This measure was defined on the basis of the results of the backtesting carried out by the Risk Management Function, with the aim of improving consistency between expected recovery flows and the timeframes actually observed.
- Introduction of a minimum write-down percentage for non-performing exposures: A minimum coverage level of 80 per cent has been established for all exposures that have been classified as non-performing for more than five years, in order to strengthen the prudential adequacy of the allowances and to reflect, more realistically, the reduced recoverability of the most impaired positions.

As a result of the above changes, positions classified as UTP recorded an increase in Expected Credit Loss of €5.25 million, whilst for positions classified as non-performing, the total increase in provisions amounted to approximately €6.10 million.

In March 2026, in line with the provisions of the 2026–2028 Strategic Plan approved by the Board of Directors on 6 March 2026, the Group’s NPL Operational Plan (2026–2028) was updated once again. In the 2026–2028 NPL Operational Plan, the Group has set itself the objective of gradually aligning with the system-wide NPL ratio, as published by the Bank of Italy in its Financial Stability Reports, aiming to fall below the 5 per cent threshold from the 2027 financial year onwards.

Over the Plan’s timeframe, the Bank is expected to reduce the gross ratio of non-performing loans to total loans from 7.60% in 2025 to the 4.10% targeted for 2028, partly through a phased disposal programme during the first two financial years of the Plan. In the 2025 financial year, the coverage ratio for impaired loans increased from 43.83% to 47.90%; the ratio of impaired loans to total loans rose from 7.07% in 2024 to 7.63% in 2025.

Impaired financial assets include loans that have been classified as non-performing, in probable default or past due/overdrawn for more than ninety days in accordance with the Bank of Italy’s rules, which are consistent with IAS/IFRS and European supervisory regulations. The definition of impaired loans as set out by the Bank of Italy in Circular 272 of 2008 (and subsequent updates) also aligns with the definition of ‘impaired’ financial assets contained in IFRS 9, resulting in all impaired loans being classified under Stage 3. During 2015, the 7th update to Bank of Italy Circular No. 272/2008 was issued, revising the previous classifications of impaired loans and introducing the concept of exposures subject to forbearance, incorporating the definitions introduced by the Implementing Technical Standards (ITS) issued by the European Banking Authority (EBA). The update aims to reduce the scope for discretion in the accounting and prudential definitions applied in different countries, as well as to facilitate the comparability of data at EU level.

In particular, the legislation requires that exposures subject to forbearance measures be identified within both performing and non-performing loans, defining the categories ‘Forborne performing exposures’ (performing loans subject to forbearance) and ‘Non-performing exposures with forbearance measures’ (non-performing loans subject to forbearance) respectively.

The legislation defines “forbearance measures” as changes to the original contractual terms and conditions, or the total or partial refinancing of the debt, which are granted to a borrower who is, or is about to be, in difficulty in meeting their financial obligations.

In classifying impaired loans, the Bank has also incorporated the changes to the definitions introduced by the 7th Update to Bank of Italy Circular No. 272/2008. Specifically, impaired financial assets are categorised as non-performing loans, probable defaults, past due and/or overdrawn exposures, in accordance with the following rules:

▪ **Non-performing loans:** all on-balance-sheet and off-balance-sheet exposures to a party in a state of insolvency (even if not legally established) or in substantially equivalent situations, irrespective of any loss provisions made by the bank.

▪ **Unlikely to pay:** classification in this category is, first and foremost, the result of the bank's assessment that it is unlikely that, without recourse to measures such as the enforcement of guarantees, the debtor will fulfil their credit obligations in full (in respect of principal and/or interest). This assessment must be carried out independently of the presence of any overdue and unpaid amounts (or instalments). It is therefore not necessary to wait for an explicit sign of default (failure to repay), where there are factors indicating a risk of the debtor defaulting (for example, a crisis in the industrial sector in which the debtor operates).

▪ **Past due and/or over-limit impaired exposures:** cash exposures, other than those classified as non-performing or likely to default, which, as at the reporting reference date, have been past due or over the limit for more than 90 days.

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

Whilst confirming that the basis for default lies in late payments and the likelihood of the debtor's default, the aforementioned legislation introduces certain more stringent criteria for identifying impaired exposures and for their subsequent return to performing status. In particular, the New Definition of Default sets out the criteria for identifying past-due exposures, the methodology for managing the indicators to be considered for the purposes of identifying probable default, the specific aspects of retail exposures, and the criteria for the return of an exposure to performing status.

Specifically, the main changes introduced compared with the previously applicable regulations concern the following areas:

- new definition of 'past due':
 - a reduction in the 'relative' materiality threshold from 5% to 1% (this threshold is calculated as the ratio of the overdue and/or overdrawn amount to the customer's total exposure, both determined at Banking Group level without offsetting against any available margins on other credit facilities);
 - introduction of a differentiated 'absolute' materiality threshold by type of exposure (€100 for retail and €500 for non-retail, to be compared with the debtor's total amount past due and/or overdrawn);
 - classification of a debtor as non-performing (NPE) where both materiality thresholds are 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 in default (Non-Performing Exposure) who regularise their position;
- classification of a borrower as in default in a consistent manner across the Banking Group, i.e. across all outstanding credit obligations held by Group companies;
- classification of a borrower as in default where a restructuring involving a financial cost results in a reduction in the financial obligation of more than 1 per cent compared with the previous amount (i.e. $\Delta NPV > 1$ per cent);
- introduction of new rules for propagating, or assessing the propagation of, a position's default status based on its link to other positions that have become non-performing;
- the bank is unable to offset existing overdue or overdrawn amounts on certain credit facilities of the borrower against other open and unused credit facilities held by the same borrower (so-called 'available margins').

The criteria introduced by the supervisory regulations have had an impact on the accounting classification of impaired credit exposures (Stage 3), as the supervisory provisions are considered consistent with the accounting standards set out in IFRS 9, in terms of objective evidence of impairment.

Within the three categories of impaired loans, in accordance with the regulations, loans subject to 'forbearance measures' ('Non-performing exposures with forbearance measures') are identified.

The classification as "forborne non-performing" therefore does not constitute a separate category within the scope of impaired loans, but rather represents an additional classification that applies across the three categories mentioned above.

Information relating to impaired exposures is integrated into the information system using specific tools that support their management and highlight their status.

The Credit Control Function, on the basis of specific anomaly indicators identified both through IT procedures and internal assessments, and in accordance with the provisions of the specific internal regulations governing the process of classifying credit positions and changing their 'status', monitors the risk classification of positions and makes proposals to the relevant departments regarding any changes in status or the quantification of loss provisions.

With regard to performing exposures, the Bank has defined, for management purposes, the sub-categories Bonis C (watch list), Bonis D (forborne performing under probation) and Bonis E (forborne performing under probation, ex-cure period), into which exposures showing a less than fully regular credit relationship are classified.

The PD and UTP Credit Management Function is responsible for managing positions classified as past due and impaired and as probable default, promoting initiatives aimed at safeguarding the Bank's credit claims.

Non-performing loans are managed by the Litigation Function, which assesses the actions to be taken to maximise debt recovery, including taking action against any guarantors and enforcing any available guarantees.

The assessment of the recoverability of impaired loans is carried out on the basis of the criteria defined by the Board of Directors, as set out in the specific valuation policy last updated on 27 February 2026.

Positions classified as Stage 3 are categorised according to different risk statuses and are consequently subject to either analytical or flat-rate valuation. Value adjustments on Stage 3 exposures reflect the expected loss calculated over a time horizon equal to the entire duration of the relevant exposure. The Bank, as part of its policies on

In carrying out the valuation, the valuer employed valuation processes and methods characterised by elements of subjectivity and estimates of certain variables, such as, principally, projected cash flows, expected recovery times and the estimated realisable value of collateral, where applicable, changes to which may result in a variation in the final recoverable value; this determination was based on the information available at the valuation date, taking due account of the possible effects of the pandemic crisis. Impaired exposures that are not past due and are below a predetermined threshold, for which no objective evidence of loss has been identified, have been subject to a flat-rate assessment, which involves the statistical determination of the expected loss and, consequently, the related value adjustments for homogeneous categories of exposures (defined on the basis of the counterparty segment and the technical form).

Analytical impairment testing must, however, still be carried out whenever objective events of deterioration are identified that require a detailed analysis.

In particular, in relation to the concept of materiality referred to in the applicable accounting standards, past due and impaired exposures and probable defaults that are individually below the materiality threshold of €300,000 have been subject to impairment using the flat-rate method.

The valuation of exposures classified as non-performing is updated periodically to ensure that all events likely to affect the prospects of recovering the loans are promptly reflected in the accounts.

The valuation of non-performing loans is carried out analytically, that is, on the basis of a detailed assessment of the recoverability of individual loan positions, taking into account all factors relevant to determining the expected recovery.

The valuation of exposures classified as 'likely to default' is updated periodically to ensure the timely reflection in the accounts of all events that may affect the prospects of debt recovery, as well as to verify that the conditions for their transfer to the 'non-performing' category do not in fact exist.

For this category, value adjustments are made:

- on a case-by-case basis for positions exceeding €300,000;
- for positions at or below the €300,000 threshold, where no objective evidence of loss has been identified, using a flat-rate method based on homogeneous exposure types.

The assessment is aimed at determining any expected losses, bearing in mind, however, that positions are classified in this risk category on the basis of the Bank's judgement regarding the unlikelihood that, without recourse to measures such as the enforcement of collateral, the debtor will fulfil their credit obligations in full; as is well known, this assessment must be carried out independently of the presence of any amounts (or instalments), whether past due or not.

Therefore, in the case of a position classified as 'probable default', the estimated realisable value of the receivable is determined by assessing the debtor's ability to meet its obligations, measured on the basis of all available information regarding the debtor's financial position and results of operations, as well as the value of any existing collateral securing the receivables.

The recoverable amount is determined in accordance with the planned recovery strategy (distinguishing between 'going concern' and 'liquidation' scenarios), which reflects the overall level of risk, by assessing the ability to generate cash flows sufficient to repay the exposure and/or by simply enforcing the collateral.

For positions equal to or below the threshold of €300,000, for which no objective evidence of loss has been identified, the write-down is carried out using a flat-rate method by type of homogeneous exposure.

Positions classified as past due, for which no objective evidence of loss has been identified, are assessed using a flat-rate method by homogeneous exposure categories.

The flat-rate assessment involves the statistical determination of the expected loss and, consequently, the related value adjustments.

3.2 Write-off

With regard to impaired loans, the Bank proceeds with the write-off – in full or in part – of uncollectible accounts and records the remaining unadjusted amount as a loss in the following cases:

- a) the irrecoverability of the debt, resulting from certain and precise evidence (such as, for example, the debtor's untraceability and lack of assets, failed recoveries from the enforcement of movable and immovable property, unsuccessful attachments, insolvency proceedings concluded without full reimbursement for the Bank, if there are no further enforceable guarantees, etc.);
- b) waiver of the debt, as a result of unilateral remission of the debt or the remaining balance under settlement agreements;
- c) assignments of receivables.

In certain circumstances, it is also necessary to carry out partial write-offs of gross receivables in order to bring them into line with the Bank's actual claims. Such circumstances arise, for example, in the case of uncontested rulings within insolvency proceedings, pursuant to which a claim recognised is lower than that recorded in the accounts. Furthermore, the Bank has provided for the possibility, on an annual basis, of identifying portfolios of non-performing loans to be subject to total or partial write-offs, which collectively have the following key characteristics:

- coverage ratio > 95%
- average age (defined as the period spent in 'non-performing' status) exceeding 6 years.

In the 2025 financial year, write-offs totalling approximately €9 million were approved for non-sold non-performing positions.

3.3 Impaired financial assets acquired or originated

Under IFRS 9, loans considered impaired from the moment of initial recognition in the financial statements, due to the high credit risk associated with them, are defined as Purchased or Originated Credit Impaired Assets (POCI). Where such loans fall within the scope of impairment under IFRS 9, they are measured by recognising – from the

date of initial recognition – provisions for losses covering the entire remaining life of the loan (known as the ‘Expected Credit Loss lifetime’). As these are impaired loans, they are initially classified under Stage 3, subject to the possibility of being reclassified to Stage 2 during their lifetime should they no longer be considered impaired, based on a credit risk analysis.

The Bank defines ‘impaired financial assets acquired or originated’ as:

- credit exposures that were already impaired at the time of purchase; and
- credit exposures originated in the context of restructuring transactions involving impaired exposures that have resulted in the provision of new finance, or have introduced substantial changes to the original contractual terms.

4. Financial assets subject to commercial renegotiations and exposures subject to forbearance

On 27 January 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 on 27 October 2022.

The regulations adopted by the Bank draw a distinction between commercial renegotiation measures and forbearance measures applied to existing credit relationships (so-called ‘forbearance measures’).

Commercial renegotiations are aimed at strengthening the relationship with the borrowing counterparty who, following a thorough assessment, is still deemed capable of meeting the financial obligations originally undertaken in a timely manner.

A forbearance measure, on the other hand, involves a change to the contractual terms in favour of debtors who, even due to temporary circumstances, are no longer able to meet the financial obligations initially agreed. The confirmed financial difficulty is therefore a decisive criterion for classifying changes to the value, timing and terms of debt repayment as a forbearance measure. Any objective indications of anomalies in the credit exposure identified by the system support the manager in their subjective (judgemental) assessment of the customer. Objective financial difficulty is always subject to a subsequent subjective assessment, which may result in the confirmation or rejection of the customer’s financial difficulty. The subjective assessment is carried out in any case, regardless of whether any actual objective anomalies are detected.

A situation of financial difficulty is deemed to be proven if the counterparty is classified as non-performing.

The approval of a concession:

- involves the completion of procedures that entail an assessment aimed at verifying whether the concession can be effective in restoring the debtor’s independent and regular conduct, without the need for further subsequent support, bringing the exposure back to a sustainable repayment situation and, in the case of non-performing exposures, with the key objective of laying the foundations for a return to performing status. The analysis carried out comprises several stages that process information of both an objective and subjective nature;
- it involves classifying the credit relationship affected by the aforementioned measure as ‘forborne’. A performing counterparty that receives a concession may retain that administrative status. However, the condition must be complied with for the entire period during which the credit relationship affected by the concession retains the ‘forborne’ status.

Once the arrangement has been finalised, a monitoring period begins, referred to, as appropriate, as the ‘Probation Period’ (two years for forborne performing exposures) or the ‘Cure Period’ (one year for forborne non-performing exposures). At the end of these periods, only if the borrower’s conduct is found to be genuinely compliant and the conditions set out in the relevant legislation are met, may the possibility of an upgrade in status be assessed; or, in the case of performing exposures, the removal of the ‘forborne’ attribute may be considered.

In light of the above, it should be noted that the nature of contractual amendments granted to customers – where these are deemed ‘substantial’, based on a distinction between commercial amendments and those arising from *forbearance* measures – may result in the derecognition of the financial asset from the balance sheet and the re-recognition of a new asset (so-called ‘derecognition accounting’). In such a situation, and with specific reference to those positions that pass the SPPI test, the Bank, for the purposes of impairment, considers the date on which the change to the asset takes place to be the date of initial recognition. Conversely, in the case of contractual changes deemed “non-substantial” and therefore not subject to “derecognition accounting”, for the purposes of impairment assessments, the date of initial recognition is taken to be the date on which the instrument was originated.

Quantitative information

As at 31 December 2025, Bank Cambiano 1884 S.p.A.’s loans to customers, measured at amortised cost and classified as impaired, amounted to a gross value of €224.61 million, with specific value adjustments of €107.59 million associated with them, resulting in a total net value of €117.02 million.

The coverage ratio for impaired loans measured at amortised cost stands at 47.90%.

In accordance with the provisions of the international accounting standard IFRS 9, these exposures, classified in Stage 3, include:

- non-performing loans with a gross value of €100.85 million, with impairment losses of €67.97 million, resulting in a net value of €32.88 million and a coverage ratio of 67.40%;
- exposures with probable default, with a gross value of €108.78 million, with value adjustments of €37.48 million, resulting in a net value of €71.30 million and a coverage ratio of 34.46 per cent;
- impaired past-due exposures with a gross value of €14.98 million, with value adjustments of €2.13 million, compared with a net value of €12.85 million and a coverage ratio of 14.24 per cent.

Loans to customers measured at amortised cost that are not impaired amount to a total gross value of €2,717.43 million, to which are associated portfolio adjustments (ECL) of €19.96 million, resulting in a net value of €2,697.47 million and an overall coverage ratio of 0.73%.

Within the non-impaired exposures:

- loans classified as Stage 1 amount to €2,389.52 million gross, with value adjustments of €7.34 million, a net value of €2,382.18 million and a coverage ratio of 0.31%;
- loans classified as Stage 2, representing exposures with a higher credit risk but not yet impaired, amount to €327.92 million gross, with value adjustments of €12.62 million, a net value of €315.30 million and a coverage ratio of 3.85 per cent.

Taking into account the entire portfolio of loans to customers measured at amortised cost, the total gross value amounts to €2,942.05 million, with total value adjustments of €127.55 million and a net value of €2,814.50 million, corresponding to an overall coverage ratio of 4.34%.

Taking into account also credit exposures measured at fair value, amounting to €114.84 million gross with value adjustments of €0.56 million, the total gross amount of loans to customers stands at €3,056.9 million, with value adjustments of €128.1 million and a net value of €2,928.8 million, reflecting an overall coverage ratio of 4.19 per cent.

As at 31 December 2025, the Bank's gross NPL ratio stood at 7.63%, whilst the net NPL ratio was 4.16%. Quantitative information relating to

the Bank's loan portfolio is set out below.

A. Credit quality

A.1 Impaired and non-impaired credit exposures: balances, value adjustments, trends and economic distribution

A.1.1 Breakdown of financial assets by portfolio and credit quality (balance sheet figures)

Portfolios/quality	Non-performing loans	Probable defaults	Past due impaired exposures	Past due exposures not impaired	Other non-impaired impaired	Total 31/12/2025
1. Financial assets measured at amortised cost	32,880	71,299	12,844	25,303	3,401,660	3,543,986
2. Financial assets measured at fair value through profit or loss	0	0	0	0	69,664	69,664
3. Financial assets designated at fair value	0	0	0	0	0	0
4. Financial assets that must be measured at fair value	0	0	0	0	116,574	116,574
5. Financial assets held for disposal	0	0	0	0	0	0
Total 31/12/2025	32,880	71.2 days	12,844	25,303	3,587.8G8	3,730,225
Total as at 31 December 2024	34,504	68,650	12,733	35,324	3,684,644	3,835,855

Notes:

The table shows the classification by credit quality of the entire portfolio of financial assets, excluding equity securities and units in collective investment schemes (O.I.C.R.) amounting to 47,577 mgI.

The figures shown are those reported in the financial statements, and are therefore net of the relevant write-downs.

A.1.2 Breakdown of financial assets by portfolio and credit quality (gross and net figures)

Portfolios/quality	Impaired				Non-impaired			Total (net exposure)
	Gross exposure	Value adjustments in total	Net exposure	Partial write-offs Total	Gross exposure	Total value adjustments	Net exposure	
1. Financial assets measured at cost amortised	224,611	107,570	117,042	1,200	3,447,129	20,185	3,426,945	3,543.G86
2. Financial assets measured at fair value through profit or loss comprehensive income	0	0	0	0	69,677	13	69,664	6G,664
3. Financial assets designated at fair value	0	0	0	0	0	0	0	0
4. Financial assets that must be measured at fair value	0	0	0	0	0	0	116,574	116,574
5. Financial assets held for disposal	0	0	0	0	0	0	0	0
Total 31/12/2025	224,611	107,570	117,042		3,516,806	20.1G8	3,613,183	3,730,225
Total 31/12/2024	206,327	G0.43G	115,887	1,200	3,637,585	16,622	3.71G.G67	3,835,855

Notes:

The table shows the classification by credit quality of the entire portfolio of financial assets, excluding equity securities and units in UCITS amounting to 47,577 mgl.

A.1.2 Breakdown of financial assets by portfolio and credit quality (gross and net figures) Breakdown of credit exposures by low-quality assets

Quality portfolios	Assets of clearly low credit quality credit quality		Other assets
	Accumulated accumulated	Net exposure	Net exposure
1. Financial assets held for trading	0	0	67,219
2. Hedging derivatives	0	0	0
Total 31/12/2025	0	0	67.21G
Total 31/12/2024	0	0	86,465

A.1.3 Breakdown of financial assets by maturity band (balance sheet figures)

Portfolios/Risk stages	First stage			Second stage			Third stage			Acquired or originated		
	From 1 to 30 days	From more than 30 days up to G0 days	More than G0 days	1 to 30 days	More than 30 days up to G0 days	More than G0 days	From 1 to 30 days	More than 30 days up to G0 days	More than G0 days	From 1 to 30 days	From more than 30 days up to G0 days	More than G0 days
1. Financial assets measured at cost amortised	7,140	0	0	6,861	7,536	3,765	1,283	2,208	62,882	1,413	7	294
2. Financial assets measured at fair value through profit or loss comprehensive income	0	0	0	0	0	0	0	0	0	0	0	0
3. Financial assets the process of disposal	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL 31/12/2025	7,140	0	0	6,861	7,536	3,765	1,283	2,208	62,882	1,413	7	2G4
TOTAL 31/12/2024	4,834	0	0	10,474	13,372	6,643	4.2G6	4,683	72,403	17	0	G60

Notes

The cash figures shown are those in the financial statements, net of related doubtful debts

A.1.4 Financial assets, commitments to disburse funds and financial guarantees issued: trends in total value adjustments and total provisions – part 1

Reasons/risk stages	Total value adjustments					
	Assets classified in stage 1					
	Receivables from banks and central banks at on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Loans and advances held for disposal	of which: individual write-downs	of which: collective write-downs
Total opening adjustments	0	7,770	40	0	230	7,580
Increases arising from acquired or originated	0	0	0	0	0	0
Write-offs other than write-offs	0	0	0	0	0	0
Net value adjustments/reversals for credit risk (+/-)	0	-218	-27	0	-21	-212
Contract amendments without cancellations	0	0	0	0	0	0
Changes to the estimation	0	0	0	0	0	0
Write-offs not recognised directly in the profit and loss account	0	0	0	0	0	0
Other changes	0	0	0	0	0	0
Final total adjustments	0	7,552	13	0	20G	7,368
Recoveries from the realisation of that have been written off	0	0	0	0	0	0
Write-offs recognised directly in the the 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 total value adjustments and total provisions – part 2

Reasons/risk stages	Total value adjustments					
	Items included in the second stage					
	Claims on banks and central banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Loans and advances held for disposal	of which: individual write-downs	of which: collective write-downs
Total opening adjustments	0	8,810	0	0	6	8,801
Increases arising from acquired or originated	0	0	0	0	0	0
Write-offs other than write-offs	0	0	0	0	0	0
Net value adjustments/reversals for credit risk (+/-)	0	3,810	0	0	-9	3,819
Contract amendments without cancellations	0	0	0	0	0	0
Changes to the estimation	0	0	0	0	0	0
Write-offs not recognised directly in the profit and loss account	0	0	0	0	0	0
Other changes	0	0	0	0	0	0
Total final adjustments	0	12,620	0	0	0	12,620
Recoveries from the collection of that had been written off	0	0	0	0	0	0
Write-offs recognised directly in the the 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 total value adjustments and total provisions – part 3

Reasons/risk stages	Total value adjustments					
	Assets classified in stage 3					
	Loans to banks and central banks demand	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss comprehensive income	AF held for disposal	of which: individual write-downs	of which: collective write-downs
Total opening adjustments	0	88,403	0	0	88,403	0
Increases arising from acquired or originated	0	0	0	0	0	0
Write-offs other than write-offs	0	0	0	0	0	0
Net value adjustments/reversals for credit risk (+/-)	0	27,727	0	0	27,727	0
Contract amendments without cancellations	0	0	0	0	0	0
Changes to the estimation methodology	0	0	0	0	0	0
Write-offs not recognised directly in the profit and loss account	0	-8,959	0	0	-8,959	0
Other changes	0	-2,917	0	0	-2,917	0
Total final adjustments	0	104,254	0	0	104,254	0
Recoveries from the realisation of that have been written off	0	0	0	0	0	0
Write-offs recognised directly in the income statement	0	0	0	0	0	0

A.1.4 Financial assets, commitments to disburse funds and financial guarantees issued: changes in total value adjustments and total provisions – part 4

Reasons/risk stages	Total value adjustments				
	Impaired financial assets acquired or originated				
	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss comprehensive income	Financial assets held for disposal	of which: individual write-downs	of which: collective write-downs
Total opening adjustments	2.036	0	0	2.037	2
Increases arising from financial assets acquired or originated	0	0	0	0	0
Write-offs other than write-offs	0	0	0	0	0
Net value adjustments/reversals due to credit risk credit risk (+/-)	1,307	0	0	1,296	11
Contract amendments without cancellations	0	0	0	0	0
Changes to the estimation methodology	0	0	0	0	0
Write-offs not recognised directly in the income statement	0	0	0	0	0

Reasons/risk stages	Total value adjustments				
	Impaired financial assets acquired or originated				
	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss comprehensive income	Financial assets held for disposal	of which: individual write-downs	of which: collective write-downs
Other movements	0	0	0	0	0
Total final adjustments	3,346	0	0	3,333	13
Recoveries from the realisation of financial assets written off	0	0	0	0	0
Write-offs recognised directly in the income statement	0	0	0	0	0

A.1.4 Financial assets, commitments to disburse funds and financial guarantees given: trends in total value adjustments and total provisions – part 5

Reasons/risk stages	Total provisions for commitments to disburse funds and financial guarantees issued			Total
	First stage	Second stage	Third stage	
Initial total adjustments	242	25	2.11G	10G.446
Increases arising from financial assets acquired or originated	0	0	0	0
Deletions other than write-offs	0	0	0	0
Net credit risk adjustments/reversals (+/-)	18	46	327	32,990
Contract amendments without cancellations	0	0	0	0
Changes to the estimation methodology	0	0	0	0
Write-offs not recognised directly in the profit and loss account	0	0	0	-8,959
Other changes	0	0	0	-2,917
Total final adjustments	25G	71	2,446	130,561
Recoveries from the realisation of 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 given: transfers between different risk stages (gross and nominal values)

Portfolios/risk stages	Gross values / Nominal value					
	Transfers between the first stage and second stage		Transfers between the second tier and third tier		Transfers between the first stage and third stage	
	From the first stage to the second stage	From the second stage to the first stage	From the second stage to the third stage	From the third stage to 2nd stage	From stage 1 to 3rd stage	From stage 3 to stage 1
1. Financial assets measured at amortised cost	122,550	43,123	26,116	1,640	18,266	621
2. Financial assets measured at fair value through comprehensive income	0	4,800	0	0	0	0
3. Financial assets held for disposal	0	0	0	0	0	0
4. Commitments to disburse funds and financial guarantees issued	57,112	24,802	8,685	243	6,169	2,295
Total 31/12/2025	17G,661	72,725	34,801	1,883	24,435	2.G16
Total 31/12/2024	141,617	105,110	37,347	2,121	28.3G3	4G5

Notes:

Stage transfers include flows recorded for loans measured at amortised cost outstanding at the balance sheet date, which constitute new liquidity provided through public guarantee schemes introduced in response to the COVID-19 pandemic, in the form of 'New loans'. Stage transfers carried out during the financial year are shown in the table below:

Stage transfer	Gross amounts
from 1 to 2	8,066
from 2 to 1	2,619
from 1 to 3	4,835
from 3 to 1	67
2 to 3	6,225
from 3 to 2	296

A.1.6 On-balance-sheet and off-balance-sheet credit exposures to banks: gross and net amounts

Types of exposure/amounts	Gross exposure				Total value adjustments and total provisions				Net exposure	Total partial write-offs (*)
	Stage 1	Stage 2	Stage 3	Impaired assets acquired or originated	First stage	Second stage	Stage 3	Acquired or originated		
A. Cash credit exposures										
A.1 On demand	121,567	121,567	0	0	0	0	0	0	121,567	0
a) Impaired	0	X	0	0	0	X	0	0	0	0
b) Not impaired	121,567	121,567	0	X	0	0	0	X	121,567	0
A.2 Other	78,892	76,281	0	0	27	27	0	0	78,866	0
a) Non-performing loans	0	X	0	0	0	X	0	0	0	0
- of which: exposures subject to concessions	0	X	0	0	0	X	0	0	0	0
b) Probable defaults	0	X	0	0	0	X	0	0	0	0
- of which: exposures subject to concessions	0	X	0	0	0	X	0	0	0	0
c) Past due and impaired exposures	0	X	0	0	0	X	0	0	0	0
- of which: exposures subject to concessions	0	X	0	0	0	X	0	0	0	0
d) Past due exposures not impaired	0	0	0	X	0	0	0	X	0	0
- of which: exposures subject to concessions	0	0	0	X	0	0	0	X	0	0
e) Other non-impaired exposures	78,892	76,281	0	X	27	27	0	X	78,866	0
- of which: exposures subject to concessions	0	0	0	X	0	0	0	X	0	0
TOTAL A	200.45G	167.848	0	0	27	27	0	0	200,433	0
B. Off-balance-sheet credit exposures										
a) Impaired	0	X	0	0	0	X	0	0	0	0
b) Not impaired	10,143	10,143	0	X	0	0	0	X	10,143	0
TOTAL B	10,143	10,143	0	0	0	0	0	0	10,143	0
TOTAL A + B	210,602	207.660	0	0	27	27	0	0	210,575	0

Notes:

The table shows the breakdown by credit quality for loans and advances to banks.

In particular, it includes 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 through other comprehensive income" and "40 – Financial assets measured at amortised cost (a) receivables from banks".

Excluded are equity securities and units in UCITS amounting to 55,084 mgl, and securities issued by non-bank counterparties amounting to 250,362 mgl.

A.1.7 On-balance-sheet and off-balance-sheet credit exposures to customers: gross and net values – part 1

Types of exposure/values	Gross exposure				Acquired or originated
		First stage	Stage 2	Stage 3	
A. Cash credit exposures					
a) Non-performing loans	100,854	X	0	100,344	509
- of which: exposures subject to concessions	0	X	0	0	0
b) Probable defaults	108,780	X	0	100,830	7,950
- of which: exposures subject to concessions	59,874	X	0	57,141	2,732
c) Past due and impaired exposures	14,978	X	0	14,946	32
- of which: exposures subject to concessions	781	X	0	781	0
d) Past due exposures not impaired	26,150	7,209	18,941	X	0
- of which: exposures subject to concessions	3,219	0	3,219	X	0
e) Other non-impaired exposures	3,595,092	3,219,157	308,878	X	599
- of which: exposures subject to concessions	40,892	0	40,796	X	96
TOTAL A	3,845,853	3,226,366	327.81G	216,120	G.08G
B. Off-balance-sheet credit exposures					
a) Impaired	11,846	X		11,846	
b) Non-impaired	918,108	833,114	84,994	X	
TOTAL B	G2G.G54	833,114	84.GG4	11,846	
TOTAL A + B	4,775,807	4,05G,480	412,813	227,G66	G.08G

A.1.7 On-balance-sheet and off-balance-sheet credit exposures to customers: gross and net amounts – part 2

Types of exposures/amounts	Total value adjustments and provisions				Net exposure	Total partial write-offs (*)
		First stage	Stage 2	Stage 3		
A. Cash credit exposures						
a) Non-performing loans	67,973	X	0	67,543	431	X
- of which: exposures subject to concessions	0	X	0	0	0	X
b) Probable defaults	37,481	X	0	34,583	2,897	X
- of which: exposures subject to concessions	22,783	X	0	22,046	737	X
c) Past due and impaired exposures	2,133	X	0	2,128	5	X
- of which: exposures subject to concessions	62	X	0	62	0	X
d) Past due exposures not impaired	847	69	779	X	0	69
- of which: exposures subject to concessions	224	0	224	X	0	0
e) Other non-impaired exposures	19,324	7,470	11,841	X	13	7,470

Exposure categories/values	Total value adjustments and provisions in total					Net exposure	Total partial write-offs (*)
		First stage	Stage 2	Stage 3	Impaired assets acquired or originated		
- of which: exposures subject to concessions	992	0	991	X	0	992	0
TOTAL A	127,758	7,538	12,620	104,254	3,346	127,758	7,538
B. Off-balance-sheet credit exposures							
a) Impaired	2,446	X	0	2,446		2,446	X
b) Not impaired	331	259	71	X		331	259
TOTAL B	2,776	25G	71	2,446	0	2,776	25G
TOTAL A + B	130,535	7.7G8	12.6G1	106,700	3,346	130,535	7.7G8

Notes:

The table shows the breakdown by credit quality of loans to customers. In particular, it includes all financial assets relating to customers arising from the balance sheet items "20 – Financial assets measured at fair value through profit or loss", "30 – Financial assets measured at fair value through other comprehensive income" and "40 – Financial assets measured at amortised cost (b) loans and advances to customers". Excluded are equity securities and units in collective investment schemes (OICR) amounting to 55,084 mgl, and securities issued by banks amounting to 2,612 mgl.

Cash credit exposures include loans outstanding as at the balance sheet date, which constitute new liquidity granted through public guarantee schemes introduced in response to the COVID-19 pandemic.

The table below shows, for the various categories of assets (impaired/unimpaired), the gross exposure and total value adjustments:

Types of exposures/values	Gross exposure	Total value adjustments
Impaired exposures	22,856	5,156
a) Non-performing loans	0	0
b) Probable defaults	17,461	4,695
c) Past due and impaired exposures	5,395	461
Non-impaired exposures	146,880	602
d) Performing loans – Stage 2	27,607	404
e) Performing loans – stage 1	119,273	198
Grand total	16G,736	5,758

A.1.8 On-balance-sheet credit exposures to banks: trends in gross impaired exposures

Reasons/Categories	Non-performing loans	Probable defaults	Past due exposures Impaired
A. Initial gross exposure	0	0	0
- of which: exposures sold but not derecognised	0	0	0
B. Increases			
B.1 additions from non-impaired exposures	0	0	0
B.2 Additions arising from acquired or originated impaired financial assets	0	0	0
B.3 transfers from other categories of impaired exposures	0	0	0
B.4 contractual modifications without write-offs	0	0	0
B.5 Other increases	0	0	0
C. Decreases	0	0	0
C.1 Outflows to non-impaired exposures	0	0	0
C.2 Write-offs	0	0	0
C.3 Receipts	0	0	0
C.4 Proceeds from disposals	0	0	0
C.5 Losses on disposals	0	0	0
C.6 Transfers to other categories of impaired exposures	0	0	0
C.7 Contractual modifications without write-offs	0	0	0
C.8 Other decreases	0	0	0
D. Final gross exposure	0	0	0
- of which: exposures transferred but not derecognised	0	0	0

A.1.8 bis Cash credit exposures to banks: changes in gross exposures subject to credit facilities, broken down by credit quality

Reasons/Categories	Exposures subject to concessions: impaired	Exposures subject to concessions: not impaired
A. Initial gross exposure	0	0

Reasons/Categories	Exposures subject to concessions: impaired	Exposures subject to concessions: not impaired
- of which: exposures sold but not derecognised	0	0
B. Increases	0	0
B.1 Additions from non-impaired exposures not subject to concessions	0	0
B.2 Additions from non-impaired exposures subject to concessions	0	0
B.3 Additions from impaired exposures subject to concessions	0	0
B.4 Other increases	0	0
C. Decreases	0	0
C.1 Outflows to non-impaired exposures not subject to concessions	0	0
C.2 Outflows relating to non-impaired exposures subject to concessions	0	0
C.3 Disposals of exposures subject to concessions that are impaired	0	0
C.4 Write-offs	0	0
C.5 Receipts	0	0
C.6 Proceeds from disposals	0	0
C.7 Losses on disposals	0	0
C.8 Other decreases	0	0
D. Final gross exposure	0	0
- of which: exposures transferred but not derecognised	0	0

A.1.G On-balance-sheet credit exposures to customers: changes in gross impaired exposures

Reasons/Categories	Non-performing loans	Defaulted Probable	Past due Impaired
A. Initial gross exposure	85,037	106,188	15,101
- of which: exposures sold but not derecognised	0	0	0
B. Increases			
B.1 additions from non-impaired exposures	8,746	56,163	15,982
B.2 Additions from acquired or originated impaired financial assets	0	0	0
B.3 transfers from other categories of impaired exposures	35,494	4,954	0
B.4 contractual modifications without write-offs	0	0	0
B.5 Other increases	10,618	3,701	27
C. Decreases	0	0	0
C.1 Outflows to non-impaired exposures	0	2,584	728
C.2 Write-offs	8,959	0	0
C.3 receipts	30,083	23,586	4,357
C.4 Proceeds from disposals	0	0	0
C.5 losses on disposals	0	0	0
C.6 transfers to other categories of impaired exposures	0	29,913	10,536
C.7 Contractual modifications without write-offs	0	0	0
C.8 Other decreases	0	6,143	512
D. Final gross exposure	100,854	108,780	14,678
- of which: exposures transferred but not derecognised	0	0	0

Notes:

Items C.4 and C.5 relate to non-recourse sales of impaired loans completed by the Bank during the financial year.

A.1.G bis Cash credit exposures to customers: changes in gross exposures subject to credit facilities, broken down by credit quality

Reasons/Categories	Exposures subject to concessions: impaired	Exposures subject to concessions: non-impaired
A. Initial gross exposure	62,368	4G,344
- of which: exposures sold but not derecognised	0	0
B. Increases	14,832	G,617
B.1 additions from non-impaired exposures not subject to concessions	5,406	7,882
B.2 Additions from non-impaired assets subject to concessions	9,426	
B.3 Additions from impaired loans subject to concessions		1,446
B.4 additions from impaired exposures not subject to concessions	0	0
B.5 Other increases	0	290
C. Decreases	16,545	14.84G
C.1 Outflows relating to non-impaired exposures not subject to concessions		5,424
C.2 Outflows relating to non-impaired exposures subject to concessions	1,446	

Reasons/Categories	Exposures subject to concessions: impaired	Exposures subject to concessions: non-impaired
C.3 Outflows relating to impaired exposures subject to concessions		9,426
C.4 write-offs	0	0
C.5 Receipts	0	0
C.6 Proceeds from disposals	0	0
C.7 Losses on disposals	0	0
C.8 Other decreases	15,099	0
D. Final gross exposure	60,654	44,112
- of which: exposures transferred but not derecognised	0	0

A.1.10 Impaired on-balance-sheet credit exposures to banks: trend in total value adjustments

General/Categories	Non-performing loans		Probable defaults		Past due exposures impaired	
	Total	of which: exposures subject to concessions	Total	of which: exposures subject to concessions	Total	of which: exposures subject to concessions
A. Total opening adjustments	0	0	0	0	0	0
- of which: exposures transferred but not derecognised	0	0	0	0	0	0
B. Increases						
B.1 Impairment losses on acquired or originated financial assets	0	0	0	0	0	0
B.2 Other value adjustments	0	0	0	0	0	0
B.3 losses on disposals	0	0	0	0	0	0
B.4 transfers from other exposure categories impaired	0	0	0	0	0	0
B.5 Contract amendments without cancellations	0	0	0	0	0	0
B.6 Other increases	0	0	0	0	0	0
C. Decreases	0	0	0	0	0	0
C.1 Reversals of impairment losses	0	0	0	0	0	0
C.2 Reversals of write-downs on collections	0	0	0	0	0	0
C.3. Gains on disposals	0	0	0	0	0	0
C.4 write-off	0	0	0	0	0	0
C.5 transfers to other exposure categories impaired	0	0	0	0	0	0
C.6 Contract amendments without cancellations	0	0	0	0	0	0
C.7 Other decreases	0	0	0	0	0	0
D. Total final adjustments	0	0	0	0	0	0
- of which: exposures transferred but not derecognised	0	0	0	0	0	0

A.1.11 Impaired on-balance-sheet credit exposures to customers: trend in total value adjustments

General/Categories	Non-performing loans		Probable defaults		Past due exposures impaired	
	Total	of which: exposures subject to concessions	Total	of which: exposures subject to concessions	Total	of which: exposures subject to concessions
A. Total opening adjustments	50,533	0	37,538	23,961	2,369	86
- of which: exposures sold but not derecognised	0	0	0	0	0	0
B. Increases						
B.1 Value adjustments on impaired financial assets acquired or originated	0	0	0	0	0	0
B.2 Other value adjustments	5,000	0	5,930	0	18	0
B.3 losses on disposals	0	0	0	0	0	0
B.4 transfers from other exposure categories impaired	13,245	0	645	340	0	0
B.5 Contract amendments without cancellations	0	0	0	0	0	0
B.6 Other increases	13,122	0	14,653	11,676	1,764	62
C. Decreases	0	0	0	0	0	0
C.1 Reversals of impairment losses	2,991	0	7,754	7,072	203	0
C.2 Reversals of write-downs on collections	0	0	0	0	0	0
C.3. Gains on disposals	0	0	0	0	0	0

Random/Categories	Non-performing loans		Probable defaults		Past due exposures Impaired	
	Total	of which: exposures subject to concessions	Total	of which: exposures subject to concessions	Total	of which: exposures subject to concessions
C.4 write-offs	8,959	0	0	0	0	0
C.5 transfers to other exposure categories impaired	0	0	12,208	0	1,683	0
C.6 Contract amendments without cancellations	0	0	0	0	0	0
C.7 Other decreases	1,977	0	1,323	6,123	132	86
D. Total final adjustments	67.673	0	37,481	22,783	2,133	62
- of which: exposures sold but not derecognised	0	0	0	0	0	0

A.2 Classification of exposures based on external and internal ratings

A.2.1 Distribution of on-balance-sheet and off-balance-sheet exposures by external rating class

Exposures	External rating classes						Unrated	Total 31/12/2025
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6		
A. Financial assets measured at amortised cost								
- First stage	0	0	653,432	0	0	0	2,465,280	3,118,712
- Second stage	0	0	0	0	0	0	327,819	327,819
- Third stage	0	0	0	0	0	0	216,120	216,120
- Acquired or originated	0	0	0	0	0	0	9,089	9,089
B. Financial assets measured at fair value through profit or loss comprehensive income								
- Stage 1	0	0	69,677	0	0	0	0	69,677
- Second stage	0	0	0	0	0	0	0	0
- Third stage	0	0	0	0	0	0	0	0
- Acquired or originated	0	0	0	0	0	0	0	0
C. Financial assets the process of disposal								
- Stage 1	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
- Acquired or originated	0	0	0	0	0	0	0	0
Total (A + B + C)	0	0	723.10G	0	0	0	3,018.30G	3,741,417
D. Commitments to disburse funds and provide financial guarantees issued								
- First stage	0	0	0	0	0	0	836,647	836,647
- Second stage	0	0	0	0	0	0	84,994	84,994
- Third stage	0	0	0	0	0	0	11,846	11,846
- acquired or originated	0	0	0	0	0	0	0	0
Total (D)	0	0	0	0	0	0	G33.487	G33.487
Total (A + B + C + D)	0	0	723.10G	0	0	0	3.G51.7G6	4,674.G05

Class 1 = AAA/AA – Class 2

= A+/A – Class 3 =

BBB+/BBB – Class 4 =

BB+/BB – Class 5 = B+/B –

– Class 6 = Below B –

A.3 Breakdown of secured exposures by type of security

A.3.1 On-balance-sheet and off-balance-sheet credit exposures to banks that are guaranteed – part 1

Items	Gross exposure	Net exposure	Security (1)			
			Mortgage d property	Property – finance for leasing	Securities	Other real
1. Credit exposures for cash:						

Items	Gross exposure	Net exposure	Security (1)			
			Mortgage d property	Property – finance for leasing	Securities	Other real
1.1 fully secured	0	0	0	0	0	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 Credit exposures not secured credit exposures:						
2.1 fully secured	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.3.1 On-balance-sheet and off-balance-sheet credit exposures to banks that are guaranteed – part 2

Items	Personal guarantees (2)								Total (1)+(2)	
	Credit derivatives					Letter of credit				
	CLN	Other derivatives				Public sector	Banks	Other financial institutions		Other entities
Central counterparti es		Banks	Other financial	Other entities						
1. Credit exposures secured by cash:										
1.1 fully secured	0	0	0	0	0	0	0	0	0	
- of which impaired	0	0	0	0	0	0	0	0	0	
1.2 partially guaranteed	0	0	0	0	0	0	0	0	0	
- of which impaired	0	0	0	0	0	0	0	0	0	
2 Credit exposures off-balance-sheet secured:										
2.1 fully secured	0	0	0	0	0	0	0	0	0	
- of which impaired	0	0	0	0	0	0	0	0	0	
2.2 partially guaranteed	0	0	0	0	0	0	0	0	0	
- of which impaired	0	0	0	0	0	0	0	0	0	

A.3.2 Secured on-balance-sheet and off-balance-sheet credit exposures to customers – part 1

Items	Gross exposure	Net exposure	Collateral (1)			
			Mortgage d property	Property – finance for leasing	Securities	Other real
1. Credit exposures for cash:						
1.1 fully secured	1,957,788	1,896,062	1,401,254	0	15,896	16,219
- of which impaired	138,577	89,518	54,984	0	0	103
1.2 partially guaranteed	287,495	278,376	156	0	15,616	10,387
- of which impaired	18,135	12,005	156	0	0	150
2 Credit exposures not secured credit exposures:						
2.1 fully secured	115,524	115,524	2,960	0	5,546	6,608
- of which impaired	5,044	5,044	141	0	14	291
2.2 partially guaranteed	52,249	52,249	0	0	5,101	2,058
- of which impaired	1,846	1,846	0	0	30	48

A.3.2 Secured on-balance-sheet and off-balance-sheet credit exposures to customers – part 2

Items	Personal guarantees (2)									Total (1)+(2)
	Credit derivatives					Letter of credit				
	CLN	Other derivatives				Public sector	Banks	Other financial institutions	Other entities	
Central counterparties		Banks	Other financial	Other entities						
1. Credit exposures secured on a cash basis:										
1.1 fully secured	0	0	0	0	0	234,214	0	6,865	218,356	1.862,804
- of which impaired	0	0	0	0	0	24,076	0	129	10,064	86.355
1.2 partially guaranteed	0	0	0	0	0	117,768	0	1,633	70,359	215.616
- of which impaired	0	0	0	0	0	8,333	0	16	2,348	11,003
2 Off-balance-sheet credit exposures off-balance-sheet secured:										
2.1 fully secured	0	0	0	0	0	12,042	0	820	87,455	115,432
- of which impaired	0	0	0	0	0	606	0	0	3,991	5,044

Items	Personal guarantees (2)								Total (1)+(2)	
	Credit derivatives					Unsecured credit facilities				
	CLN	Other derivatives				Public sector	Banks	Other financial institutions		Other entities
		Central counterparties	Banks	Other financial	Other entities					
2.2 Partially guaranteed	0	0	0	0	0	12,182	0	701	10,915	30.657
- of which impaired	0	0	0	0	0	524	0	0	851	1,453

A.4 Financial and non-financial assets obtained through the enforcement of guarantees

Items	Credit exposure written off	Gross value	Total value adjustments	Carrying amount	
					of which recognised during the financial year
A. Tangible assets					
A.1 For operational use	0	0	0	0	0
A.2 For investment purposes	0	0	0	0	0
A.3 Inventories	0	0	0	0	0
B. Equity and debt securities	0	0	0	0	0
C. Other assets					
D. Non-current assets and disposal groups					
D.1 Tangible assets	0	0	0	0	0
D.2 Other assets	0	0	0	0	0
Total as at 31 December 2025	0	0	0	0	0
Total as at 31 December 2024	0	0	0	0	0

B. Distribution and concentration of credit exposures

B.1 Sectoral distribution of 'off-balance sheet' cash credit exposures to customers (carrying amount) – part 1

Exposures/Counterparties	General government		Financial corporations		Financial companies (of which: insurance companies)	
	Net exposure	Total in total	Net exposure	Total value adjustments Total	Net exposure	Value adjustments Total
A. Cash credit exposures						
A.1 Non-performing loans	0	0	10	439	0	0
- of which: exposures subject to concessions	0	0	0	0	0	0
A.2 Probable defaults	0	0	1,209	302	0	0
- of which: exposures subject to concessions	0	0	1,142	258	0	0
A.3 Past due and impaired exposures	0	0	20	5	0	0
- of which: exposures subject to concessions	0	0	0	0	0	0
A.4 Non-impaired exposures	788,110	209	351,752	154	30,751	0
- of which: exposures subject to concessions	0	0	0	0	0	0
TOTAL A	788,110	209	352.661	600	30,751	0
B. 'Off-balance sheet' credit exposures						
B.1 Impaired exposures	0	0	0	0	0	0
B.2 Non-impaired exposures	2,776	0	93,784	20	1,293	0
TOTAL B	2,776	0	93,784	20	1.293	0
TOTAL (A+B) 31/12/2025	790.886	209	446,435	620	32,044	0
TOTAL (A+B) 31/12/2024	841,310	227	426.632	766	33,057	0

B.1 Sectoral breakdown of 'off-balance sheet' cash credit exposures to customers (carrying amount) – part 2

Exposures/Counterparties	Non-financial corporations		Households	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments Total
A. Cash credit exposures				

Exposures/Counterparties	Non-financial corporations		Households	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments Total
A.1 Non-performing loans	23,161	56,610	9,709	10,924
- of which: exposures subject to concessions	0	0	0	0
A.2 Probable defaults	53,913	29,294	16,178	7,884
- of which: exposures subject to concessions	27,050	17,589	8,898	4,937
A.3 Past due and impaired exposures	7,600	1,156	5,224	973
- of which: exposures subject to concessions	635	53	84	9
A.4 Exposures not impaired	1,222,848	16,359	1,238,362	3,449
- of which: exposures subject to concessions	19,885	726	23,011	490
TOTAL AS AT	1,307,521	103,420	1,266,472	23,230
B. 'Off-balance sheet' credit exposures				
B.1 Impaired exposures	8,361	2,446	1,039	0
B.2 Non-impaired exposures	731,373	296	89,844	14
TOTAL B	739,734	2,742	90,883	14
TOTAL (A+B) 31/12/2025	2,047,256	106,162	1,360,355	23,244
TOTAL (A+B) 31/12/2024	2,054,856	86.121	1,361,856	16.262

B.1 Sectoral breakdown of 'off-balance sheet' cash credit exposures to customers (carrying amount) – part 3

Exposures/Counterparties	TOTAL	
	Net exposure	Total value adjustments Total
A. Cash credit exposures		
A.1 Non-performing loans	32,880	67,973
- of which: exposures subject to concessions	0	0
A.2 Probable defaults	71,299	37,481
- of which: exposures subject to concessions	37,091	22,783
A.3 Past due and impaired exposures	12,844	2,133
- of which: exposures subject to concessions	719	62
A.4 Exposures not impaired	3,601,071	20,171
- of which: exposures subject to concessions	42,896	1,215
TOTAL AS AT	3,718.065	127,758
B. 'Off-balance sheet' credit exposures		
B.1 Impaired exposures	9,400	2,446
B.2 Non-impaired exposures	917,778	331
TOTAL B	927,178	2,776
TOTAL (A+B) 31/12/2025	4,645,273	130,535
TOTAL (A+B) 31/12/2024	4,684.660	106.406

B.2 Geographical breakdown of on-balance-sheet and 'off-balance-sheet' credit exposures to customers (carrying amount)

Exhibition/Geographical areas	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	Net exposure	Total value adjustments Net	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments value adjustments
A. Credit exposures cash										
A.1 Non-performing loans	32,880	67,973	0	0	0	0	0	0	0	0
A.2 Probable defaults	71,299	37,481	0	0	0	0	0	0	0	0
A.3 Past due exposures impaired	12,844	2,133	0	0	0	0	0	0	0	0
A.4 Non-impaired exposures	3,493.835	20,017	74,778	22	14,856	119	669	3	16,932	11
TOTAL (A)	3,610.856	127,604	74.776	22	14,856	116	666	3	16.632	11
B. Credit exposures "off the balance sheet"										
B.1 Impaired exposures	9,400	2,446	0	0	0	0	0	0	0	0
B.2 Non-impaired exposures	917,553	331	225	0	0	0	0	0	0	0
TOTAL (B)	926.953	2,776	225	0	0	0	0	0	0	0
TOTAL (A + B) 31/12/2025	4,537.812	130,380	75,003	22	14,856	116	666	3	16.632	11
TOTAL (A + B) 31/12/2024	4,573.671	106.346	76.756	20	6.522	26	713	1	20.667	12

B.2 Geographical breakdown of on-balance-sheet and 'off-balance-sheet' credit exposures to customers (carrying amount) – part 2

Exposure/Geographical areas	TOTAL	
	Net exposure	Total Total
A. Cash credit exposures		
A.1 Non-performing loans	32,880	67,973
A.2 Exposures likely to default	71,299	37,481
A.3 Past due and impaired exposures	12,844	2,133
A.4 Exposures not impaired	3,601,071	20,171
TOTAL (A)	3,718.0G5	127,758
B. 'Off-balance sheet' credit exposures		
B.1 Impaired exposures	9,400	2,446
B.2 Non-impaired exposures	917,778	331
TOTAL (B)	G27,178	2,776
TOTAL (A + B) 31/12/2025	4,645,273	130,535
TOTAL (A + B) 31/12/2024	4,684.G60	10G.40G

Notes:

The cash credit exposures shown in the table (3,718,095 thousand euros) are those recognised in the balance sheet net of outstanding liabilities and showing the total value adjustments.

In particular, the table includes all financial assets due from customers arising from the balance sheet items "20 – Financial assets measured at fair value through profit or loss", "30 – Financial assets measured at fair value through other comprehensive income" and "40 – Financial assets measured at amortised cost (b) loans and advances to customers".

Excluded are equity securities and units in UCITS amounting to 55,084 mgl, and securities issued by banks amounting to 2,612 mgl.

B.3 Geographical breakdown of on-balance-sheet and "off-balance-sheet" credit exposures to banks (carrying amount) – part 1

Exposure/Geographical areas	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	Net exposure	Total value adjustments Net exposure	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments Net	Net exposure	Total value adjustments A.
A. Credit exposures cash										
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-impaired exposures	112,460	2	76,629	25	722	0	8,010	0	2,612	0
TOTAL (A)	112,460	2	76.62G	25	722	0	8,010	0	2,612	0
B. Credit exposures 'off the balance sheet'										
B.1 Impaired exposures	0	0	0	0	0	0	0	0	0	0
B.2 Non-impaired exposures	9,836	0	306	0	0	0	0	0	0	0
TOTAL (B)	G.836	0	306	0	0	0	0	0	0	0
TOTAL (A + B) 31/12/2025	122.2G6	2	76.G35	25	722	0	8,010	0	2,612	0
TOTAL (A + B) 31/12/2024	20G.G26	12	7G.830	25	2,018	0	20	0	6,785	0

B.3 Geographical breakdown of on-balance-sheet and 'off-balance-sheet' credit exposures to banks (carrying amount) – part 2

Exposure/Geographical areas	TOTAL	
	Net exposure	Value adjustments total
A. Cash credit exposures		
A.1 Non-performing loans	0	0
A.2 Probable defaults	0	0
A.3 Past due and impaired exposures	0	0
A.4 Exposures not impaired	200,433	27
TOTAL (A)	200,433	27
B. 'Off-balance sheet' credit exposures		
B.1 Impaired exposures	0	0
B.2 Non-impaired exposures	10,143	0
TOTAL (B)	10,143	0
TOTAL (A + B) 31/12/2025	210,575	27
TOTAL (A + B) 31/12/2024	2G8.57G	37

Notes:

The amounts shown as cash balances with banks (186,831 mgl.) are those reported in the financial statements, net of doubtful debts. In particular, all financial assets with banks arising from the following balance sheet items are included: "20 – Financial assets measured at fair value through profit or loss",

“30 – Financial assets measured at fair value through profit or loss” and “40 – Financial assets measured at amortised cost (a) receivables from banks”. Excluded are equity securities and units in collective investment schemes (OICR) amounting to 55,084 mgl, and securities issued by non-bank counterparties amounting to 250,362 mgl. The figures are broken down geographically according to the counterparty’s country of residence.

B.4 Large exposures (in accordance with supervisory regulations)

Items / Amounts	31/12/2025			31/12/2024		
	Number	Balance sheet Balance Sheet	Weighted Weighted	Number	Balance sheet Balance	Value Weighted
a. Large Exposures	14	1,353,226	290,908	11	1,845,719	191,078
b. Zero-weighted positions	3	922,998	0	4	1,552,629	0
Total Major Exhibitions (A-B)	11	430,227	2G0.G08	7	2G3.0G1	1G1.078

INFORMATION 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 “Pontormo RMBS 2017” securitisation transaction (the “Transaction”), which utilises Pontormo RMBS s.r.l. as its special purpose vehicle; this company’s sole purpose is to carry out one or more securitisation transactions involving loans, and it is registered under no. 35038.9 in the Register of Securitisation Special Purpose Vehicles. During the second half of 2019, the Transaction underwent a restructuring (the “Restructuring”), which, in summary, involved the sale of a second loan portfolio by Banca Cambiano and the simultaneous issue of two further bonds – one senior and one junior – on a par with the bonds of the same seniority issued previously. During October 2024, the Transaction underwent a “Partial Unwinding”, which took the form of (i) the withdrawal 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 respective portfolio and the subsequent redemption of the securities it had subscribed to, and (ii) a review of the structure of the Transaction, necessary to reflect the transition from a “multi-originator” to a “single-originator” transaction. As part of the Partial Unwinding, the costs of which were borne entirely by Banca di Pisa e Fornacette, the rating agencies (SCP and Fitch) have confirmed the AA rating of the securities subscribed to by Banca Cambiano. The following sections will outline the objectives of the Pontormo RMBS 2017 transaction, the main characteristics of the Notes issued, a selection of quantitative information relating to the 2025 financial year, and a description of the accounting treatment in the Bank’s financial statements.

Purpose and structure of the Pontormo RMBS 2017 transaction

The Bank’s objective in launching the transaction was to convert a portion of its lending assets (residential mortgage loans) into an ABS-type security (Pontormo RMBS Class A) that could be used in a series of activities aimed at further optimising any liquidity requirements, in particular:

- raising short- to medium-term liquidity through transactions with the Eurosystem;
- raising medium-term liquidity through private repo arrangements (over 2–3 years);
- to carry out refinancing transactions on the Securitised Securities Market (New Mic);
- where market opportunities arise, and in line with the bank’s weighted average cost of funding, to sell the ABS note on the market.

The transaction concluded with the issuance of an ABS (backed by mortgages granted by the Bank) with a high credit rating: at the time of issue, the note was rated AA by SCP and AA- by Fitch, which were higher than the rating of Italian sovereign debt (which at that time stood at Baa2 by Moody’s, BBB by SCP and BBB by Fitch). On 23 October 2018, Fitch upgraded the rating of the ‘A’ class securities from AA- (the rating at issuance) to AA, the highest rating achievable for Italian structured finance transactions. Following the 2019 Restructuring, both rating agencies confirmed the AA rating for the senior notes issued in 2017 and assigned the same rating to the new senior notes issued as part of the Restructuring. At the end of April 2020, following Fitch’s downgrade of Italy’s rating, the agency lowered the rating of the senior notes in question to AA- (the agency’s policy stipulates that the maximum rating for structured finance transactions is six notches above the relevant sovereign rating; therefore, the downgrade of the notes was due exclusively to the lowering of the sovereign rating). In December 2021, following the upgrade of Italy’s rating, Fitch upgraded the rating of the senior securities in question, restoring it to AA. As anticipated, as part of the Partial Unwinding in 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. In November 2025, following the upgrade of Italy’s rating by SCP and Fitch, both agencies upgraded the rating of the senior notes in question, raising them to AA+. The transaction made it possible to transform part of the Bank’s assets, which would otherwise have been illiquid (the mortgage loan portfolio), into a rated, transparent financial instrument (the two senior notes) that is eligible for central bank reserves and potentially tradable.

The transaction in question was structured as a ‘multi-originator’ transaction, initiated by Banca Cambiano together with Banca di Pisa and Fornacette. Under an initial sale agreement signed on 14 November 2017, each bank transferred a mortgage portfolio (distinct and independent from the other) comprising receivables identifiable as a single block under the Securitisation Act, classified as ‘performing’ in accordance with current supervisory regulations and arising from property loan and mortgage agreements secured by voluntary mortgages on immovable property. As part of the Restructuring, each

bank subsequently transferred, in the same manner as described above, a second portfolio of mortgages, again distinct and independent from the first. Set out below are some of the main general eligibility criteria for the transferred mortgages, applicable to both transfers:

- The mortgages are denominated in euros;
- Loans granted to individuals resident in Italy who, in accordance with the classification criteria adopted by the Bank of Italy in Circular No. 140 of 11 February 1991 (as subsequently amended), fall within one of the following SAE (economic activity sector) categories: No. 600 ("consumer households"); No. 614 ("craftsmen") or No. 615 ("producer households");
- Mortgages secured by a mortgage on one or more properties situated in Italy, where the property on which the mortgage is registered (or, in the case of one or more mortgages registered on multiple properties to secure the same mortgage, the principal property) is a residential property intended for habitation;
- No borrower is an employee, director, statutory 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 originating banks have acted (and Banca Cambiano continues to act) as servicers of their portfolios transferred to the special purpose vehicle.

As consideration for the purchase of the receivables, the SPV paid the transferring banks a price of €695,618,219.29 in connection with the first transfer and €447,699,408.76 in connection with the second transfer, corresponding to the total sum of the individual purchase prices of the receivables transferred on each occasion, as specified below:

- First transfer – Banca di Pisa e Fornacette: €232,893,077.48;
- **First disposal – Banca Cambiano: €462,725,141.81;**
- Second disposal – Banca di Pisa e Fornacette: €160,485,163.54;
- **Second transfer – Banca Cambiano: €287,214,245.22.**

The purchase of the first portfolio was financed by the SPV through the issue, on 27 November 2017, pursuant to Articles 1 and 5 of the Securitisation Act, of the following classes of securities:

Senior – (Class "A" securities)

- €181,656,000 Class A1-2017;
- **€360.625,000 Class A2-2017;**

Junior – (Class "B" titles)

- €54,137,000 Class B1-2017;
- **€107,562,000 Class B2-2017.**

Similarly, the second loan portfolio sold as part of the Restructuring was financed through the issue on 6 December 2019 of the following bonds:

Senior – (Class "A" securities)

- €157,866,000 Class A1-2019;
- **€285,773,000 Class A2-2019;**

Junior – (Class "B" securities)

- €3,380,000 Class B1-2019;
- **€1,330,000 Class B2-2019.**

Underwriter	ISIN	Class	Senior Tranche	Issue rating	Rating as at 31 December 2025	Nominal value	Outstanding amount as at 31 December 2025	Outstanding amount after redemption 26 January 2026
Banca di Pisa e Fornacette	IT0005315210	Class A1 – 2017	84.00%	AA / AA-		Repaid		
Banca di Pisa e Fornacette	IT0005391237	Class A1 – 2019	84.00%	AA / AA		Repaid		
Banca Cambiano	IT0005315228	Class A2 – 2017	84.00%	AA / AA-	AA+ / AA+	360,925,000	67,787,880	66,649,688
Banca Cambiano	IT0005361245	Class A2 - 2019	84.00%	AA / AA	AA+ / AA+	285,773,000	84,871,883	83,446,579
		Class A Notes	84.00%			646.6G8,000	152.65G.763	150.0G6,267
Banca di Pisa e Fornacette	IT0005315236	Class B1 – 2017	16.00%			Repaid		
Bank of Pisa and Fornacette	IT0005391252	Class B1 - 2019	16.00%			Repaid		
Banca Cambiano	IT0005315244	Class B2 - 2017	16.00%			107,562,000	107,562,000	107,562,000
Banca Cambiano	IT0005361260	Class B2 - 2019	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

Class "A" securities are listed on the Irish Stock Exchange, whilst Class "B" securities are neither listed nor rated. The Senior notes bear interest at a floating rate linked to the monthly Euribor (with a floor of 0% and a cap of 3.50% for Class A1 notes and 3.52% for Class A2 notes) plus a spread of 0.45%; the

Junior notes, on the other hand, do not have a fixed coupon and receive payments other than principal, which are due in accordance with the order of priority for each reference period. Interest and income on the notes are paid monthly on the 25th of each month.

The securities subscribed to by Banca Cambiano are Class A2 (senior) and Class B2 (junior). The characteristics of these securities are set out below:

Class A2-2017
Currency: Euro
Issue Amount: 360,925,000
Rate: 1-month Euribor (floor at 0% and cap at 3.52%) + spread of 0.45%
Coupon: monthly
Maturity date: May 2060
Repayment: amortisation linked to recoveries on the underlying receivables Rating as at 31 December 2023: AA from SCP, AA from Fitch Listing: Irish Stock Exchange
ISIN: IT0005315228
Governing law: Italian law. Underwriter:
Banca Cambiano.

Class A2-2019
Currency: Euro
Issue amount: 285,773,000
Rate: 1-month Euribor (floor at 0% with a cap of 3.52%) + spread of 0.45%
Coupon: monthly
Maturity date: May 2060
Redemption: amortisation linked to recoveries on the underlying loans Rating as at 31 December 2023: AA by SCP, AA by Fitch Listing: Irish Stock Exchange
ISIN: IT0005391245
Governing law: Italian law. Underwriter:
Banca Cambiano.

Class B2-2017
Currency: Euro
Issue amount: 107,562,000 Rate: N/A
Coupon: monthly
Maturity date: May 2060
Redemption: amortisation linked to recoveries on the underlying receivables Rating: Unrated
Listing: Not listed on a regulated market ISIN: IT0005315244
Governing law: Italian law. Underwriter:
Banca Cambiano.

Class B2-2019
Currency: Euro
Issue amount: 1,330,000 Rate: N/A
Coupon: monthly
Maturity date: May 2060
Redemption: amortisation linked to recoveries on the underlying receivables Rating: Unrated
Listing: Not listed on a regulated market ISIN: IT0005391260
Governing law: Italian law. Underwriter:
Banca Cambiano.

The securities are all held in dematerialised form at Monte Titoli S.p.A.

The Junior Notes include in their principal amount:

- a cash reserve ("Cash Reserve Amount") equal to 1.50% of the nominal value of the Senior Notes issued at the time of the Restructuring, i.e. €7,688,433;
- the sum required to establish the expense reserve (Retention Amount), which at the time of issue corresponds to a share of €53,216 for Banca Cambiano;

- the costs of structuring the Transaction (€294,727.31, attributable pro rata to Banca Cambiano) and the costs of the Restructuring (€246,905.34, attributable pro rata to Banca Cambiano).

The cash reserve serves as a guarantee in favour of the Senior noteholders (who, in this case, are the originators; it therefore implicitly also serves as a guarantee in favour of Banca Cambiano, which holds the 'A2' classes). Provision is also made for the amortisation of the cash reserve (subject to the amount of funds available), which is gradually returned to the relevant bank on the basis of the amortisation of the respective Senior Notes, until a defined minimum level is reached (0.8 per cent of the nominal value of the Senior Notes at the time of the Restructuring). At present, there are no plans to utilise the cash reserve, which therefore remains at the vehicle's disposal in liquid form, contributing, where necessary, to the amount of available funds.

The cash reserve constitutes a guarantee in favour of the Senior noteholders (who, in this case, are the originators; it therefore implicitly also constitutes a guarantee in favour of Banca Cambiano, which holds the 'A2' classes). Provision is also made for the amortisation of the cash reserve (subject to the amount of available funds), which is gradually repaid to the relevant bank on the basis of the amortisation of the respective Senior Notes, until a defined minimum level is reached (0.8 per cent of the nominal value of the Senior Notes at the time of the Restructuring). At present, there are no plans to utilise the cash reserve, which therefore remains at the vehicle's disposal in liquid form, contributing, where necessary, to the amount of available funds.

Cash Reserve Amount	Issue reserve	Outstanding reserve as at 31 December 2025
Banca Cambiano Cash Reserve Amount	7,688,433	4,144,473

The Retention Amount is effectively an expense fund made available to the vehicle by the organisation to cover the vehicle's operating costs. At each monthly settlement, based on the costs incurred and documented, this account/expense fund will be replenished up to the pre-determined amount of €53,216. The securities are redeemed on the interest payment dates, based on the recovery of the underlying receivables, the funds available and the order of priority for payments (set out 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 that allow them to be used for refinancing operations with the European Central Bank.

Selected quantitative information as at 31 December 2025

Set out below is a selection of some of the key quantitative information relating to the transaction in question. Unless otherwise specified, the figures are in euros and refer to 31 December 2025.

Securitised assets

The securitised car loans at the end of 2025 are equal to their purchase price, net of collections made from the date of sale up to 31 December 2025, and net of amounts receivable for collections attributable to the financial year but not yet transferred by the servicers, and increased by interest accrued and due as at 31 December 2025.

	31/12/2025
Performing securitised receivables	248,774,297
Receivables for overdue interest not yet collected	63,219
Total	248,837,515

The characteristics of the assets sold by Banca Cambiano are as follows:

	31/12/2025
Remaining capital	248,774,297
Number of Mortgages	4,140
Average remaining term (years)	12.85
Weighted average rate	3.36%
Average mortgage amount	60,090
Current LTV	64.87%

The table below shows the securitised assets outstanding as at 31 December 2023, classified according to their remaining life:

	Balance as at 31/12/2025	Percentage
Up to 3 months	69,178	0.03%
3 to 6 months	197,046	0.08
6 to 12 months	662,795	0.27
12 to 60 months	19,098,241	7.68
Over 60 months	228,747,036	91.95%
Total	248,774,267	100.00%

Finally, the degree of fragmentation of the portfolio as at 31 December 2025 is shown below, broken down by category:

	Number of positions	Balance as at 31/12/2025
Up to 25,000	1,168	15,318,716
From 25,000 to 75,000	1,760	85,045,696
From 75,000 to 250,000	1,170	133,198,648
Over 250,000	42	15,211,237
Total	4,140	248,774,267

Use of cash and cash equivalents

Description	31/12/2025
Cash held with BNY, current account no. 6983879780 (Expenses Acc.)	53,285
Cash at BNY, current account no. 6983899780 (Banca Cambiano Transitory CR Account)	3,116,318
Cash at BNY, current account no. 6983919780 (BCC Pisa and Fornacette Transitory CR Account)	0
Funds held at BNY, current account no. 6983989780 (General Acc.)	0
Cash held at BNY, current account no. 6983999780 (Banca Cambiano Cash Reserve Account)	4,148,717
Cash at BNY, current account no. 6984009780 (BCC Pisa and Fornacette Cash Reserve Account)	0
Cash at BNY, current account no. 6983929780 (Payment Account)	10,070
Cash at BNY, current account no. 6983939780 (Banca Cambiano Suspension Account)	127,051
Cash at BNY, current account no. 6983949780 (BCC Pisa and Fornacette Suspension Account)	0
Receivables arising from the transaction	2,914,674
Receivables from servicers for collections to be received	92,815
Accrued interest on securitised receivables	2,032,519
Prepaid expenses	32,143
Receivables for withholding tax on bank interest income	410,920
Total	12,638,512

Interest on securities issued (economic basis)

	31/12/2025
Interest expense on Class A securities	4,665,586
Interest expense on Class B securities	4,677,194

Fees and commissions payable in connection with the transaction

During the 2025 financial year, the fees and commissions payable in connection with the transaction comprised the items detailed in the following table:

Description	31/12/2025
Servicing fees (Banca Pisa)	0
Servicing fees (Banca Cambiano)	131,865
Compensation for the Computation Agent	26,134
Sub-computation agent fees	1,456
Listing Agent's fees	2,598
Fees payable to the Representative of the Noteholders	10,177
Fees for the Bank Account, Cash Manager and Principal Paying Agent	14,354
Other	40,303
Total	226,887

Interest generated by securitised assets

The total portfolio of securitised car loans has accrued the following amounts of interest as at 31 December 2025:

	31/12/2025
Interest on securitised loans	9,255,774
Early repayment penalties	132,924
Other income	250,177
Total	G.638,875

DETAILS OF CONTRACTS ENTERED INTO

In order to carry out the Securitisation Transaction and the subsequent Restructuring, it was necessary to enter into the following contractual documentation with various counterparties:

- i. 4 "Assignment Agreements" (two at the time of structuring the Transaction and two at the time of the Restructuring) pursuant to which the Company purchased, for consideration, in block and without recourse, the respective loan portfolios from Banca di Pisa e Fornacette and Banca Cambiano;

- ii. 2 “Guarantee and Indemnity Agreements” (one during the structuring of the Transaction and one during the Restructuring) pursuant to which each Transferring Bank made certain representations and warranties, provided certain indemnities, and assumed certain indemnity obligations in relation to the relevant Receivables and their assignment to the Company;
- iii. a “Servicing Agreement” (amended and supplemented during the Restructuring by the “Agreement amending the Servicing Agreement”), whereby the Company appointed each Assigning Bank as the entity responsible for the administration, management, collection, recovery and realisation of the relevant Receivables (including, for the sake of clarity, any non-performing receivables);
- iv. “Administrative Services Agreement”, under which the Company appointed CH S.p.A. as Administrator of the Corporate Assets;
- v. “Administrative Services Agreement for the Stichting” (Stichting Corporate Services Agreement);
- vi. “Back-up Servicing Agreement”, under which the Company has appointed the back-up servicers to act as substitutes for the Servicer in the event of the 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” between, amongst others, the Company, the Assignor 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.;
- viii. “Intercreditor Agreement” between, amongst others, the Company, the Assigning 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 e Fornacette, Banca Cambiano and Banca Akros S.p.A.;
- x. “Shareholders’ Agreement” between the Company, CH S.p.A. S.p.A., Stichting Muitenburg and KPMG Fides Servizi di Amministrazione S.p.A.;
- xi. Two “Written Resolutions”, by which the noteholders approved the Restructuring of the Transaction, authorising the RON and the Company to take the necessary steps to complete it;
- xii. “Amendment Agreement”, signed by all parties involved in the Transaction, setting out the amendments to the previously signed agreements necessary to enable the Restructuring of the Transaction.
- xiii. “Offering Circular” (including the Terms and Conditions of the Securities).

As part of the Partial Unwinding and the subsequent adjustment to the structure, the following agreements were signed by the various counterparties:

- i. “Written Resolution”, by which the security holders and the RON approved the Partial Unwinding and the subsequent adjustment to the structure;
- ii. “Repurchase Agreement”, under which Banca di Pisa e Fornacette repurchased the portfolio for which it was responsible;
- iii. “Termination Agreement”, in which all counterparties agreed on the payments to be made in connection with the early redemption of the securities underwritten by Banca di Pisa e Fornacette, which has relinquished all its roles within the Transaction;
- iv. A new “Back-up Servicing Agreement”, under which Blue Factor S.p.A. was appointed as Back-up Servicer for the Transaction;
- v. A new “Administrative Services Agreement”, under which the Company has appointed KPMG Fides Servizi di Amministrazione as Corporate Administrator (replacing CH S.p.A.);
- vi. A “General Amendment Agreement”, under which the various contracts relating to the Transaction have been amended to incorporate the Partial Unwinding and the subsequent adjustment to the structure. This agreement 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 TRANSACTION

The parties involved in the transaction in various capacities are set out in the table below.

Issuer/Purchaser of the receivables

Pontormo RMBS Srl, a limited liability company incorporated pursuant to Article 3 of Law 130/99, tax code, VAT number and Companies Register No. 06272000487, with fully paid-up share capital of €10,000, registered in the List of securitisation special purpose vehicles maintained by the Bank of Italy pursuant to the Provision of 7 June 2017, No. 35039.9, whose registered office is at Via Cherubini 99, Empoli (FI).

Assignor / Servicer

Banca Cambiano 1884 S.p.A., a bank incorporated in Italy as a joint-stock company, registered in the Register of Banks maintained by the Bank of Italy pursuant to Article 13 of the Consolidated Banking Act under No. 5667, with its registered office at 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 branch with its registered office at Via Mike Bongiorno, 13, 20124, Milan, Italy, (“BNYM”).

Operating Bank

Banca Cambiano 1884 S.p.A., a bank incorporated in Italy as a joint-stock company, registered in the Register of Banks maintained by the Bank of Italy pursuant to Article 13 of the Consolidated Banking Act under No. 5667, with its registered office at Viale Antonio Gramsci, 34 – 50132 Florence (“Banca Cambiano”).

Representative of the Noteholders / Corporate Services Provider / Stichting Corporate Services Provider / Back-up Computation Agent
KPMG Fides Servizi di Amministrazione SpA, a joint-stock company incorporated in Italy, registered in the Milan Companies Register, 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 Parma Companies Register under no. 03746101207, with its registered office at Borgo della Salnitrra 3, Parma, Italy, operating through its operational office in Bologna, at Via G. Mezzofanti, 5 (“ICS”).

Shareholders

(i) Stichting Muitenburg, a foundation under Dutch law with its registered office at Hoogoorddreef 15, 1101BA, Amsterdam (Netherlands), registered with the Amsterdam Register of Companies under number 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 its registered office at Viale Eginardo 29, 20149 Milan, Italy, with a fully paid-up share capital of €39,433,803, registered with the Milan Companies Register under number 03064920154 and with the register of banks maintained 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 business in Italy pursuant to the Consolidated Banking Act (“Banca Akros”).

Legal Adviser

Orrick, Herrington C Sutcliffe.

ALLOCATION OF CASH FLOWS FROM THE PORTFOLIO

Set out below is a summary table of the allocation of cash flows arising from the assigned receivables. The items described in the order of payment set out are ranked in order of priority, in that they are satisfied only if sufficient funds remain after the previous item has been paid:

- a) all taxes and expenses necessary to ensure the continued existence of the Issuer and all costs and taxes 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) the 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 to 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) the 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 items
- j) On the first payment date only, to pay the Originator the accrued interest.
- k) Pay (a) to the Originator any amount due in respect of adjustments to the purchase price relating to receivables not listed in the assignment agreement but which met the criteria set out therein, and any amount due from the Vehicle under the guarantee and indemnity agreement (other than those referred to in point 9 above); and (b) to the Class B subscriber or the Originator any amount owed by the vehicle under the subscription agreement.
- l) Any amount due to the Originator as a refund of the insurance premium and related expenses advanced by the Originator pursuant to the sale agreement.
- m) Interest due and payable on Class B2 Securities.
- n) From the Payment Date on which the Class A Securities are repaid in full, the repayment of the principal on the Class B2 Securities.
- o) Following the full and final settlement of all payments due in accordance with the Order of Priority and the full redemption of all securities, payment of any surplus into the vehicle’s current accounts in favour of Banca Cambiano.

C. Securitisation transactions

Qualitative information

From the end of September 2023, Banca Cambiano is involved as Originator, Servicer and Junior Noteholder in the 'Pontormo SME 2023' securitisation transaction (the "Transaction"), which utilises Pontormo SME 2023 s.r.l. as the special purpose vehicle; this company's sole purpose is to carry out one or more securitisation transactions involving receivables, and it is registered under no. 48473.3 in the list of special purpose vehicles maintained by the Bank of Italy. The following sections set out the objectives of the Pontormo SME 2023 transaction, the main characteristics of the notes issued and a selection of quantitative information relating to the 2025 financial year.

Purpose and structure of the Pontormo SME 2023 transaction

The objective set by the Bank when launching the Transaction was to convert part of its lending portfolio (loans granted to SMEs and backed by a guarantee issued by the Central Guarantee Fund) into an ABS-type note (Class A) security, which, through its subscription by a third-party investor, could contribute to the extension and stabilisation of liabilities, with benefits in terms of the NSFR ratio. The Transaction commenced with the signing of the transfer agreement on 6 September 2023, through which the Bank transferred a portfolio of loans characterised as identifiable receivables in a single block under the Securitisation Act, classified as 'performing' in accordance with current supervisory regulations and arising from loan agreements granted to SMEs and backed by a guarantee issued by the Central Guarantee Fund for SMEs. Set out below are some of the main general eligibility criteria for the assigned loans:

- The loans are denominated in euros;
- The loans are backed by a guarantee from the Central Guarantee Fund for SMEs, established pursuant to Article 2, paragraph 100, letter (a) of Law No. 662 of 23 December 1996;
- The loans are granted to borrowers who, in accordance with the classification criteria adopted by the Bank of Italy in Circular 140 of 11 February 1991 (as subsequently amended), fall within one of the following SAE (economic activity sector) categories: SAE code 614 (excluding personal loans and residential mortgages granted to individuals), SAE code 615 (excluding personal loans and residential mortgages 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 paid out in full, have no overdue or unpaid instalments, are at a variable rate and mature between the end of August 2026 and the end of August 2033;
- No party is an employee and/or director of the Bank, nor is any party in which the Bank holds a stake.

The Bank acts as the servicer for its own portfolio transferred to the special purpose vehicle (SPV).

As consideration for the purchase of the receivables, the SPV paid the Bank a price of €122,376,127.21, corresponding to the outstanding debt of the portfolio transferred as at 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 Act, of the following classes of securities:

- Senior (Class "A" security): €100,000,000
- Junior (Class "J" security): €24,627,000

The Senior security was subscribed by Banco BPM S.p.A, whilst the Junior security – which finances not only the purchase of the portion of the portfolio not covered by the proceeds from the Senior security but also the Cash Reserve, the Retention Amount and the closing costs of the transaction – was subscribed by Banca Cambiano.

Subscriber	ISIN	Class	Nominal value at issue	Outstanding amount as at 31 December 2025	Outstanding amount after redemption 26 January 2026
Banco BPM S.p.A	IT0005562597	Class A	100,000,000	32,984,162	24,101,197
Banca Cambiano	IT0005562613	Class J	24,627,000	24,627,000	24,627,000

The securities are all held in dematerialised form at Monte Titoli S.p.A. and neither is listed nor rated. The Senior security pays interest at a variable rate linked to the 3-month Euribor plus a spread of 1.25%, whilst the Junior security, on the other hand, does not have a fixed coupon and will not receive any cash flows until the Senior security has been fully repaid. In other words, until the Senior security has been fully repaid, all cash flows from the portfolio exceeding the payment of expenses and interest on Class A are used to repay the principal of the latter. All payments under the transaction (expenses, interest and principal) are made quarterly (on the 25th of January, April, July and October).

The characteristics of the securities issued are set out below:

Class A Currency:
Euro

Amount at issue: 100,000,000
Rate: 3-month Euribor + 1.25% spread (floor of 0% on the final rate) Coupon: quarterly
Maturity date: July 2043
Redemption: amortisation linked to recoveries on the underlying receivables Rating as at 31 December 2024: unrated
Listing: unlisted ISIN: IT0005562597
Governing law: Italian law. Issuer: Banco BPM S.p.A

Class J Currency:
Euro

Issue amount: 24,627,000
Rate: additional yield (only upon redemption of the senior security) Coupon: quarterly (only upon redemption of the senior security)
Maturity date: July 2043
Redemption: amortisation linked to recoveries on the underlying receivables (only upon redemption of the senior security) Rating as at 31 December 2024: unrated
Listing: unlisted ISIN: IT0005562613
Governing law: Italian law. Underwriter: Banca Cambiano

The Junior notes include in their principal amount:

- a cash reserve ("Cash Reserve Amount") equal to 2 per cent of the nominal value of the Senior Note issued, i.e. equal to € 2,000,000. There is no provision for the amortisation of the cash reserve nor for its possible use; it therefore remains at the vehicle's disposal in liquid form, contributing, where necessary, to the amount of available funds (and thus constituting a guarantee in favour of the Senior Noteholder).
- the sum required to establish an expense reserve ("Retention Amount") of €20,000. This is an expense fund made available to the vehicle by the structure to cover the vehicle's operating costs. At each quarterly settlement, based on the costs incurred and documented, this account/expense fund will be replenished up to the pre-determined amount of €20,000.00.
- the costs of structuring the Transaction (€230,570.46).

At the closing date of the transaction, the cash flows involving Banca Cambiano were as follows:

- Incoming cash flows of €100,000,000 as consideration for the sale of the portfolio to the SPV (the consideration for the remaining portion of the sold portfolio was settled through the subscription to the Junior Note);
- An outflow of €2,250,872.79 to finance the establishment of the cash reserve (€2,000,000) and the expenses fund (€20,000) and to cover closing costs (€230,872.79, including rounding).

Selected quantitative information as at 31 December 2025

Set out below is a selection of some of the key quantitative information relating to the transaction in question. Unless otherwise specified, the figures are in euros and refer to 31 December 2025.

Securitised assets

Securitised receivables at the end of 2025 are equal to their purchase price, net of cash receipts received from the date of disposal up to 31 December 2025, and of amounts receivable in respect of cash receipts attributable to the financial year but not yet transferred by the servicers, plus interest accrued and due as at 31 December 2025.

	31/12/2025
Performing securitised receivables	49,908,525
Receivables for overdue interest not yet collected	29,932
Total	4G.G38,456

	Balance as at 31/12/2025	Percentage
Up to 3 months	0.00	0.00%
3 to 6 months	0.00	0.00%
6 to 12 months	8,520,757	17.07%
12 to 60 months	30,871,361	61.86
Over 60 months	10,516,406	21.07%
Total	4G.G08.525	100.00%

Finally, the degree of fragmentation of the portfolio as at 31 December 2025 is shown below, broken down by category

	Number of positions	Balance as at 31/12/2025
Up to 25,000	394	5,501,155
From 25,000 to 75,000	327	14,224,305
From 75,000 to 250,000	156	18,781,030
Over 250,000	31	11,402,035
Total	G08	46.G08.525

Use of available funds

Description	31/12/2025
Cash at BNY, current account no. 6988649780 (Expenses Acc.)	13,366
Cash at BNY, current account no. 6988619780 (Cash Reserve Account)	2,006,318
Cash at BNY, current account no. 6988639780 (Payment Account)	1,838
Cash at BNY, current account no. 6988629780 (Collection Account)	9,153,569
Receivables from Servicers for collections to be received	59,635
Accrued interest on securitised receivables	216,384
Receivables for withholding tax on banking interest income	170,403
Total	11,621,513

Interest on securities issued (accrued)

	31/12/2025
Interest expense on Class A securities	1,736,352
Additional return	1,233,131

Fees and commissions payable in connection with the transaction

During the 2025 financial year, the fees and commissions payable in connection with the transaction comprised the items detailed in the following table:

Description	31/12/2025
Servicing fees (Banca Cambiano)	100,497
Compensation to the Computation Agent	25,403
Sub-Computation Agent fees	1,297
Back-up Servicer fees	15,556
Fees payable to the Representative of the Noteholders	8,582
Fees for the Account Bank, Cash Manager and Principal Paying Agent	8,918
Other	0
Total	160,253

Interest generated by securitised assets

The total portfolio of securitised mortgages has accrued the following amounts of interest as at 31 December 2025:

	31/12/2025
Interest on securitised loans	2,934,347
Early repayment penalties	41,853
Other income	205,100
Total	3,181,300

DETAILS OF CONTRACTS ENTERED INTO

In order to carry out the securitisation transaction, it was necessary to enter into the following contractual documentation with various counterparties:

- "Assignment Agreement", pursuant to which the Company purchased the loan portfolio from Banca Cambiano for consideration, in a single block and without recourse;
- "Guarantee and Indemnity Agreement", pursuant to which the Bank has made certain representations and warranties, provided certain indemnities, and assumed certain indemnity obligations in relation to the Receivables and their assignment to the Company;
- "Servicing Agreement", under which the Company appointed Banca Cambiano as the entity responsible for the administration, management, collection, recovery and realisation of the relevant Receivables (including, for the sake of clarity, any non-performing receivables);
- "Administrative Services Agreement", under which the Company appointed KPMG Fides Servizi di Amministrazione S.p.A. as Administrator of the Corporate Assets;
- "Administrative Services Agreement for the Stichting" (Stichting Corporate Services Agreement);

- “Back-up Servicing Agreement”, under which the Company has appointed Zenith Service S.p.A. as back-up servicer, i.e. to act as a substitute for the Servicer in the event of the revocation of Banca Cambiano’s appointment as Servicer pursuant to 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, amongst others, 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 Banca Cambiano;
- “Shareholders’ Agreement” between the Company, Stichting Ursa Major and ICS Crediti e Partecipazioni S.r.l.;
- “Agency Agreement” between the Company and KPMG Fides Servizi di Amministrazione S.p.A.
- “Information Memorandum”.

PARTIES INVOLVED IN THE TRANSACTION

The parties involved in the transaction in various capacities are set out in the table below.

Issuer / Purchaser of the receivables

Pontormo SME 2023 Srl, a limited liability company incorporated pursuant to Article 3 of Law 130/99, tax code, VAT number and Companies Register no. 17249061007, with fully paid-up share capital of €10,000, registered in the List of securitisation special purpose vehicles maintained by the Bank of Italy pursuant to the Provision of 7 June 2017, no. 48473.3, whose registered office is 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 maintained by the Bank of Italy pursuant to Article 13 of the Consolidated Banking Act, with its registered office at 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 branch with its registered office at Via Mike Bongiorno, 13, 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 Milan Companies Register, Italy, under no. 00731410155, with its registered office at Via Vittor Pisani 27, Milan (MI), Italy, operating through its office in Rome, at Via Curtatone, 3 (“KPMG”).

Calculation Agent

ICS Crediti e Partecipazioni S.r.l., a limited liability company, registered in the Parma Register of Companies under no. 03746101207, with its registered office at Borgo della Salnitrra 3, Parma, Italy, operating through its operational office in Bologna, at Via G. Mezzofanti, 5 (“ICS”).

Stichting Corporate Services Provider

MCG Trustee Company Limited, a company incorporated under the laws of England and Wales, with its registered office at 10 Fenchurch Avenue, London, EC3M 5AG.

Back-up Servicer

Zenith Service S.p.A, a public limited company, registered in the Milan – Monza – Brianza – Lodi Register of Companies under no. 02200990980, with its registered office at Corso Vittorio Emanuele II, 24/28, Milan, Italy, and registered under no. 32590.2 as a Financial Intermediary pursuant to Article 106 of the Consolidated Banking Act (“Zenith”).

Shareholders

(i) Stichting Ursa Major, a foundation incorporated under Dutch law with its registered office at Locatellikade, 1, 1076 AZ, Amsterdam (Netherlands), registered with the Amsterdam Companies Register under number 865414038, and (ii) ICS.

Arranger

Banca Akros SpA, a bank incorporated in Italy as a joint-stock company, with its registered office at Viale Eginardo 29, 20149 Milan, Italy, with a fully paid-up share capital of €39,433,803, registered with the Milan Companies Register under number 03064920154 and with the register of banks maintained 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 business in Italy pursuant to the Consolidated Banking Act (“Banca Akros”).

Legal Advisers

(i) Orrick, Herrington C Sutcliffe and (ii) Chiomenti.

ALLOCATION OF CASH FLOWS FROM THE PORTFOLIO

Set out below is a summary table of the allocation of cash flows arising from the assigned receivables. It should be noted that the items described in the order of payment set out are ranked in order of priority, in that they are satisfied only if sufficient funds remain after the previous item has been paid:

- i. all taxes and expenses necessary to ensure the continued 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 fees payable to the Servicer for its management of the securitised receivables;
- iv. interest due and payable on the Class A Senior Note;
- v. the amount necessary to ensure that the balance of the Cash Reserve Account is equal to the Cash Reserve Amount;
- vi. only on the first payment date, the amount of accrued interest payable to the Originator;
- vii. until the Senior Note is repaid in full, any funds remaining after payment of the items listed above shall be used in full to repay the principal of the Class A Senior Note;
- viii. Any indemnities due and payable to the Arranger and Senior Noteholders;
- ix. Any other amounts due to the counterparties to the Transaction, to the extent that they have not been paid under the preceding points;
- x. Repayment of the principal of the Class J Junior Security;
- xi. Any Additional Return on the Class J Junior Security.

Quantitative information

A. Financial assets transferred but not fully derecognised

C.1 Exposures arising from the main 'own' securitisation transactions, broken down by type of securitised asset and by type of exposure – part 1

Type of securitised assets/Exposures	On-balance-sheet exposures					
	Senior		Mezzanine		Junior	
	Balance sheet balance sheet	Adjustments/r evaluations of value	Balance sheet balance sheet	Adjustments/r evaluations to value	Balance sheet balance sheet	Adjustments/revaluations of value
C. Not written off from the balance sheet						
C.1 Pontorno SME s.r.l.	28,382	-274	0	0	21,191	-204

C.1 Exposures arising from the main 'own' securitisation transactions, broken down by type of securitised asset and by type of exposure – part 2

Type of securitised assets/Exposures	Guarantees provided					
	Senior		Mezzanine		Junior	
	Net exposure Net	Adjustments/r evaluations of value	Net Net	Value to value	Net Net	Value to value
C. Not written off the balance sheet						
C.1 Loans	0	0	0	0	0	0

C.1 Exposures arising from the main 'own' securitisation transactions, broken down by type of securitised asset and by type of exposure – part 3

Type of securitised assets/Exposures	Credit facilities					
	Senior		Mezzanine		Junior	
	Net exposure Net	Adjustments/r evaluations of value	Net Net	Value to value	Net Net	Value to value
C. Not written off the balance sheet						
C.1 Loans	0	0	0	0	0	0

C.2 Exposures arising from the main 'third-party' securitisation transactions, broken down by type of securitised asset and by type of exposure – part 1

Type of underlying assets/Exposures	On-balance-sheet exposures					
	Senior		Mezzanine		Junior	
	Balance sheet balance sheet	Adjustments/r evaluations of value	Balance sheet balance sheet	Adjustments/revaluations to value	Balance sheet balance sheet	Adjustments/revaluations in value
Type of asset	0	0	0	0	0	0

C.2 Exposures arising from the main 'third-party' securitisation transactions, broken down by type of securitised asset and by type of exposure – part 2

Type of underlying assets/Exposures	Guarantees provided					
	Senior		Mezzanine		Junior	
	Value of balance sheet	Adjustments/r evaluations Adjustments	Balance sheet balance sheet	Adjustments/r evaluations to value	Balance sheet balance sheet	Adjustments/r evaluations in value
Type of asset	0	0	0	0	0	0

C.2 Exposures arising from the main 'third-party' securitisation transactions, broken down by type of securitised asset and by type of exposure – part 3

Type of underlying assets/Exposures	Credit facilities					
	Senior		Mezzanine		Junior	
	Balance sheet balance sheet	Adjustments/r evaluations of value	Balance sheet balance sheet	Adjustments/r evaluations to value	Balance sheet balance sheet	Adjustments/r evaluations in value
Type of asset	0	0	0	0	0	0

C.3 Securitisation special purpose vehicle

Name of securitisation / Name of special purpose vehicle	Registered office	Consolidation	Assets			Liabilities		
			Receivables	Debt Debt	Other			
PONTORMO SME 2023 SRL	Rome - Via Curtatone 3	NO	9,190	0	0	0	0	0

E. Disposals

A. Financial assets sold but not fully derecognised Qualitative and quantitative information

E.1 Financial assets sold and recognised in full, and associated financial liabilities: carrying amounts

Technical classifications/Portfolio	Financial assets sold and recognised in full				Associated financial liabilities		
	Carrying amount	of which: subject to securitisation transactions	of which: subject to sale and repurchase agreements repurchase	of which impaired	Carrying amount	of which: subject to securitisation transactions	of which: subject to sale and repurchase agreements repurchase
A. Financial assets held for trading				X			
1. Debt securities	0	0	0	X	0	0	0
2. Equity securities	0	0	0	X	0	0	0
3. Funding	0	0	0	X	0	0	0
4. Derivatives	0	0	0	X	0	0	0
B. Financial assets that must be 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. Funding	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. Funding	0	0	0	0	0	0	0
D. Financial assets measured at fair value through profit or loss							
1. Debt securities	0	0	0	0	0	0	0
2. Equity securities	0	0	0	X	0	0	0
3. Funding	0	0	0	0	0	0	0
C. Financial assets measured at cost amortised							
1. Debt securities	12,202	0	12,202	0	108,217	0	108,217
2. Loans	49,573	49,573	0	1,299	33,182	33,182	0
Total 31/12/2025	61,775	4,573	12,202	1.2GG	141.3G8	33,182	108,217
Total 31/12/2024	214.4GG	82,164	132,335	2,056	165.774	66.84G	128.G24

E.2 Partially recognised financial assets sold and associated financial liabilities: carrying amounts

Technical forms/Portfolio	Full value of the original assets prior to disposal	Carrying amount of assets still partially recognised	of which impaired	Carrying amount of associated financial liabilities associated
A. Financial assets held for trading			X	
1. Debt securities	0	0	X	0
2. Equity securities	0	0	X	0
3. Loans	0	0	X	0
4. Derivatives	0	0	X	0
B. Financial assets that must be measured at fair value				
1. Debt securities	0	0	0	0
2. Equity securities	0	0	X	0
3. Loans	0	0	0	0
C. Financial assets designated at fair value				
1. Debt securities	0	0	0	0
2. Loans	0	0	0	0
D. Financial assets measured at fair value through comprehensive income				
1. Debt securities	0	0	0	0
2. Equity securities	0	0	X	0
3. Loans	0	0	0	0
E. Financial assets measured at amortised cost				
1. Debt securities	0	0	0	0
2. Loans	0	0	0	0
Total as at 31 December 2025	0	0	0	0
Total 31 December 2024	0	0	0	0

E.3 Disposal transactions involving liabilities secured exclusively by the assets disposed of and not fully written off: fair value

Technical forms/Portfolio	Recognised for in full	Partially recognised	Total	
			31/12/2025	31/12/2024
A. Financial assets held for trading				
1. Debt securities	0	0	0	0
2. Equity securities	0	0	0	0
3. Loans	0	0	0	0
4. Derivatives	0	0	0	0
B. Financial assets that must be at fair value				
1. Debt securities	0	0	0	0
2. Equity securities	0	0	0	0
3. Loans	0	0	0	0
C. Financial assets designated at fair value				
1. Debt securities	0	0	0	0
2. Loans	0	0	0	0
D. Financial assets measured at fair value with impact on comprehensive income				
1. Debt securities	0	0	0	97,060
2. Equity securities	0	0	0	0
3. Loans	0	0	0	0
E. Financial assets measured at amortised cost (fair value)				
1. Debt securities	12,202	0	12,202	35,275
2. Loans	49,573	0	49,573	82,164
Total financial assets	61,775	0	61,775	214.4GG
Total associated financial liabilities	141.3G8	0	X	X
Net value as at 31 December 2025	-7G.624	0	-7G,624	X
Net value as at 31 December 2024	18,726	0	X	18,726

With regard to loans to customers and amounts due to customers, the 'fair value' used in the table is equal to the amortised cost.

Section 2 – Market risks

For the purposes of compiling this section, only financial instruments (assets and liabilities) falling within the "regulatory trading book", as defined in the regulations governing regulatory reporting on market risks (see Circular No. 286 of 17 December 2013 issued by the Bank of Italy), are taken into account.

Qualitative information

A. General aspects

The Bank primarily engages in proprietary trading in financial instruments exposed to interest rate risk.

The strategy underpinning proprietary trading serves both treasury requirements and the objective of maximising the risk/return profile of portfolio investments in terms of interest rate risk and counterparty credit risk.
Trading activity mainly involves transactions in bonds.

B. Management processes and methods for measuring interest rate risk and price risk

The “Finance Department” Regulations set out both operational limits (in terms of both portfolio size and composition by type of security) and limits on exposure to interest rate risk (in terms of financial duration or “duration”).

At its meeting on 16 January 2020, the Board of Directors approved the Interest Rate Risk Policy, accompanied by a methodological annex, which was subsequently updated at the meeting on 27 November 2024.

Quantitative information

D.2.1.1 Regulatory trading book: breakdown by residual maturity (repricing date) of cash financial assets and liabilities and financial derivatives – All currencies

Type/Residual maturity	On demand	Up to 3 months	From over 3 months up to 6 months	From over 6 months up to 1 year	From over 1 year up to 5 years	From over 5 years up to 10 years	Over 10 years	Indefinite duration	Total
1. Cash assets									
1.1 Debt securities									
- with an option for early redemption	0	0	0	0	0	0	0	0	0
- other	0	0	0	12,367	54,368	0	0	0	66,736
1.2 Other assets	0	0	0	0	0	0	0	0	0
2. Cash liabilities									
2.1 P.C.T. liabilities	0	0	0	0	0	0	0	0	0
2.2 Other liabilities	0	0	0	0	0	0	0	0	0
3. Financial derivatives									
3.1 With an underlying asset									
- 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 No underlying asset									
- 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	484	0	0	0	0	0	0	0	484
+ short positions	4,340	0	0	0	0	0	0	0	4,340

2.1.2 Regulatory trading book: breakdown of exposures to equity securities and equity indices by the main countries of listing

Type of transaction/Listing index	Listed			Unlisted
	Country 1	Country 2	Country 3	
A. Equity securities				
- long positions	3,881	2,303	839	0
- short positions	0	0	0	0
B. Unsettled trades in equity				
- 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 and credit spread risk in the banking book

Qualitative information

Interest rate risk in the banking book (Interest Rate Risk in Banking Book – IRRBB) arises from the mismatch between the maturities (repricing) of assets and liabilities in the banking book. The banking book comprises all financial instruments, both assets and liabilities, not included in the trading book in accordance with supervisory regulations.

The Finance Division has direct responsibility for the operational management of interest rate risk in accordance with the guidelines provided by the Board of Directors.

Should the thresholds approved by the Board be exceeded, the Finance Division intervenes promptly, on the instructions of the Chief Executive, after consulting the Risk Management Function, in order to bring interest rate risk exposure back within the defined thresholds; in particular:

- it implements micro-hedge and macro-hedge transactions to hedge medium- to long-term assets and liabilities;
- it collaborates with Risk Management to determine new interest rate indexation structures for commercial funding and lending products, which are then communicated to the relevant corporate functions;
- implements transactions to hedge short-term assets and liabilities, providing the Chief Executive and Risk Management with timely reports on the actions taken and their impact on interest rate risk mitigation.

The interest rate risk control process sets out the procedures for monitoring the limits imposed on risk indicators and the *remediation* process should these limits be exceeded.

Checks on compliance with the limits are carried out quarterly and are entrusted to the Risk Management Department, which produces specific reports to enable the relevant information to be disclosed. Depending on the severity of the breach of the limits, different actions are envisaged to mitigate interest rate risk:

- **an 'early warning'** is defined as a threshold requiring attention, but for which no corrective or risk management actions are necessary;
- the **operational limit** is defined as a risk limit which, if exceeded, necessarily requires corrective or risk management actions.

The identification and measurement of the Group's interest rate risk in the banking book (IRRBB) complies with the methodology set out in the EBA Technical Standards EBA/RTS/2022/09, EBA/RTS/2022/10 and EBA/GL/2022/14, subsequently incorporated into Circular 285/2013, Part One, Title III, Chapter 1, Annexes C and C-bis, as amended by the 44th update and subsequent amendments.

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 Common Equity Tier 1 capital, e.g. property or intangible assets, or equity exposures 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, based on changes in present value, the impacts of the six prudential interest rate shocks defined by the Basel Committee on the economic value of equity, taking into account the entire remaining life of the balance sheet items. The second (NII) measures expected net profitability over a 12-month time horizon following only parallel interest rate shocks under a constant balance sheet assumption (whereby items maturing within the reference time horizon are replaced with similar instruments in terms of amount and type of interest rate). The income statement analysis also takes into account possible changes in the market value (MV) of financial instruments sensitive to interest rate movements, which have a direct impact on the profit and loss account or on overall profitability.

The impacts, both on capital and on net interest income, are calculated with reference to: i) the interest rate levels observed at the reporting date (the so-called baseline scenario); and ii) various prudential interest rate shock scenarios defined by the Supervisory Authority (6 shocks for EVE and 2 for NII). The stress scenarios envisaged are based on regulatory scenarios, in accordance with the guidelines issued by the European Banking Authority in 2018⁹:

- Parallel up – parallel upward shock;
- Parallel down – parallel downward shock;
- Steeper – increase in the slope of the curve;
- Flatter – a decrease in the slope of the curve;
- Short rate shock up – rise in short-term rates;
- Short rate shock down – a fall 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 extent of sensitivity to changes in interest rates (ΔEVE , ΔNII and ΔMV). The highest sensitivity figures for EVE and NII are referred to as 'EVE under worst-case scenario' and 'NII under worst-case scenario' respectively, and constitute the reference metrics for the regulatory warning indicator, namely the Supervisory Outlier Test (SOT). The SOT verifies whether the change in value corresponding to the most adverse scenario falls within predefined materiality thresholds of 15 per cent for EVE and 5 per cent for Tier 1 NII.

For the purposes of calculating interest rate risk, the so-called behavioural models of certain balance sheet items included within the scope of the assessment are of particular relevance, namely:

- **Current accounts with no fixed maturity (Non-Maturity Deposits – NMDs):** by their very nature, these items do not, from a contractual perspective, have a fixed maturity and should therefore be treated, in the absence of behavioural models, as demand liabilities. In order to provide a representation that more closely reflects the substance of these relationships, modelling is required to distinguish the stable (core) portion – which may be allocated across maturity bands up to a maximum of 5 years – from the non-stable (non-core) portion, which must be maintained 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, falling within the lower values of the respective ranges in the event of an upward shock, and within the upper values in the event of a downward shock. The core component is then allocated across the maturity bands following the 'on-demand' band in proportion to the number of months contained within them, assuming a maximum duration of 5 years for transactional retail counterparties, 4.5 years for non-transactional retail counterparties and 4 years for non-financial wholesale counterparties. The

⁹ For the definition of scenarios, please refer to the document "EBA/GL/2018/02 – EBA Guidelines on the management of interest rate risk arising from non-trading activities (July 2018)"

remaining amount (the so-called “non-core component”) is allocated to the sight category. The Bank has adopted a behavioural model for sight items, in accordance with the technical standards issued by the EBA (EBA/RTS/2022/09).

- **Fixed-rate mortgages with prepayment risk:** Positions relating to fixed-rate loans to retail counterparties exposed to prepayment risk are differentiated according to the assumed interest rate shock scenario, being classified in the lower values in the event of an upward shock and in the higher values in the event of a downward shock.
- **Fixed-term deposits with early redemption risk:** Positions relating to fixed-rate term deposits with retail counterparties exposed to early redemption risk are represented by applying a differentiated early redemption rate for upward and downward shocks, with the ‘on-demand’ portion of the corresponding amount subject to early redemption being allocated accordingly.

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 reflecting credit risk, liquidity and other potential characteristics of credit-risk instruments, which are not captured by any other existing prudential framework. The CSRBB captures the risk of changes in an instrument’s spread, assuming the same level of creditworthiness – that is, the behaviour of the credit spread within a given rating/PD range.

The CSRBB aims to capture the combination of two main elements:

- changes in the market credit spread, or market price of credit risk, which represents the credit risk premium demanded by market participants for a given credit rating. This differs from the idiosyncratic credit spread, defined as the specific credit risk of the counterparty, which takes into account both the context (such as the economic sector and geographical area) in which the counterparty operates and the specific characteristics of the credit instrument (for example, whether it is a secured or unsecured bond).
- changes in the market liquidity spread, which represents the liquidity premium determined by the market’s appetite for investment and the availability of buyers and sellers. In this regard, the spread, like the credit spread, is linked to the liquidity of various instruments within a particular rating class rather than to a specific instrument.

For the purposes of determining the scope of the CSRBB, the Bank does not exclude any instrument from the banking book ex ante, 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 included on a preliminary basis. Furthermore, other items in the banking book, even if they do not have a directly observable market value, may be considered sensitive to changes in credit spreads (for example, loans and amounts owed to customers). For this reason, separate measurements are carried out, referring solely to the securities portfolio and to the total items in the banking book considered sensitive to changes in credit spreads. In the latter case, different assumptions are made regarding the methods for calculating demand liabilities 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 historical series of credit spreads for the various identified categories, the following scenarios are constructed, on the basis of which measurements are subsequently carried out in terms of changes in economic value and net interest income:

- a. 1st percentile of the historical series of credit spreads;
- b. 99th percentile of the historical credit spread data series.

The Risk Management Function is responsible for periodically reviewing the stress tests, which are implemented in such a way as to ensure that the sensitivity scenarios used for the stress tests are always consistent with the types of financial instruments within the scope of the analysis and with any past and/or anticipated adverse market conditions.

2.2.1 Banking book: distribution by residual maturity (by repricing date) of financial assets and liabilities – All currencies

Type/Residual maturity	On demand	Up to 3 months	From over 3 months up to 6 months	From over 6 months up to 1 year	From over 1 year up to 5 years	From over 5 years up to 10 years	More than 10 years	Indefinite duration	Total
1. Cash assets									
1.1 Debt securities									
- with an option for early redemption	0	0	0	0	0	0	0	0	0
- other	0	65,405	9,793	110,614	383,815	125,520	30,069	0	725,216
1.2 Loans to banks	121,567	76,254	0	0	0	0	0	0	167,821
1.3 Loans to customers									
- current accounts	584,685	438	383	876	2,790	0	0	0	586,171
- Other loans									
- with an option for early repayment	114,037	62,920	10,914	201	0	0	0	0	188,071
- other	1,454,332	101,122	35,802	46,132	163,836	150,433	199,856	0	2,151,512
2. Cash cash									

Type/Remaining maturity	On demand	Up to 3 months	From over 3 months up to 6 months	From over 6 months up to 1 year	From over 1 year up to 5 years	From over 5 years up to 10 years	More than 10 years	Indefinite duration	Total
2.1 Amounts owed to customers									
- current accounts	2,682,799	84,078	40,756	76,477	633,575	2,715	0	0	3,520,366
- other payables									
- with an option for early repayment	0	0	0	0	0	0	0	0	0
- others	29,953	41,729	0	0	787	14,607	0	0	87,076
2.2 Amounts owed to banks									
- current accounts	58,249	0	0	0	0	0	0	0	58,249
- other payables	11,129	108,672	0	0	0	0	0	0	119,801
2.3 Debt securities									
- with an option for early redemption	0	0	0	0	0	0	0	0	0
- other	0	2,992	0	0	63,661	18,906	0	0	85,560
2.4 Other liabilities									
- with an option for 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 underlying									
- Options									
+ long	0	0	0	0	0	0	0	0	0
+ short positions	0	0	0	0	0	0	0	0	0
- Other derivatives									
+ positions	0	0	0	0	0	0	0	0	0
+ short positions	0	0	0	0	0	0	0	0	0
3.2 Untitled below									
- Options									
+ positions	0	0	0	0	0	0	0	0	0
+ short positions	0	0	0	0	0	0	0	0	0
- Other derivatives									
+ positions	0	14,425	0	0	0	0	0	0	14,425
+ short positions	0	128,989	5,871	514	0	0	0	0	135,375
4. Other transactions off-balance-sheet									
+ positions	4,061	297	228	2,596	2,877	1,293	1,415	0	12,767
+ short positions	12,767	0	0	0	0	0	0	0	12,767

Notes:

Long and short positions in other derivatives (see section 3.2) are expressed in notional values.

2.3 Foreign exchange risk

Qualitative information

A. General aspects, management processes and methods for measuring foreign exchange risk

Foreign exchange risk represents the risk of incurring losses on foreign currency transactions as a result of adverse movements in foreign exchange rates.

The Bank's Finance Regulations define the daily overall foreign exchange position limit. The objective is to maintain daily positions that are broadly balanced, whilst always complying with the limits set out in the Finance Regulations in force at any given time.

The Risk Management function carries out daily checks to ensure compliance with the constraints and limits on the overall foreign exchange position. The organisational structure provides that the management of foreign exchange risk is delegated to the Foreign Office for customer service activities and to the Securities Treasury Office for financial instruments, whilst the measurement of exposure is the responsibility of the Risk Management Office.

With regard to this risk, current supervisory regulations require compliance with a capital requirement equal to 8 per cent of the 'net open foreign exchange position' only if the latter exceeds 2 per cent of own funds.

The Bank is exposed to foreign exchange risk to a marginal extent: as at 31 December 2025, the 'overall net position' in foreign exchange amounted to approximately 10 million.

B. Foreign exchange risk hedging activities

The Bank has no outstanding foreign exchange hedging transactions.

Quantitative information

2.3.1 Breakdown by currency of denomination of assets, liabilities and derivatives

Items	Currencies						TOTAL
	US dollar	Pound British	Swiss Swiss	Canadian Canadian	Japanese JPY	Other currencies	
A. Financial assets							
A.1 Debt securities	0	0	0	0	0	0	0
A.2 Equity securities	3,881	0	0	0	1,261	425	5,567
A.3 Loans to banks	1,327	56	8,045	3,169	142	568	13,306
A.4 Loans to customers	136,586	0	0	1,831	0	0	138,417
A.5 Other financial assets	0	0	0	0	0	0	0
B. Other assets	23G	25	24	73	G1	52	503
C. Financial liabilities							
C.1 Bank borrowings	57,900	0	0	0	0	1	57,901
C.2 Amounts owed to customers	13,220	11,417	46	245	17	497	25,442
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
- Other derivatives							
+ Long positions	29,428	12,991	0	0	0	0	42,419
+ Short positions	96,762	1,818	3,384	4,835	200	0	107,000
Total assets	171,460	13,072	8.06G	5,073	1.4G4	1,045	200,212
Total liabilities	167,881	13,235	3,431	5,081	217	468	160.342
Net change (+/-)	3.57G	-163	4.63G	-8	1,277	546	G.870

Section 3 – Derivatives and hedging policies

3.1 Trading derivatives

A. Financial derivatives

3.1.A.1 Financial derivatives held for trading: notional values at the end of the period

Underlying assets / Types of derivatives	Total 31/12/2025				Total 31/12/2024			
	Over-the-counter			Organised markets	Over-the-counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements and			With netting agreements	Without netting agreements and	
1. Debt securities and interest rates interest								
a) Options	0	0	0	0	0	0	0	0
b) Swaps	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) Other	0	0	0	0	0	0	0	0
2. Equity securities and indices equity								
a) Options	0	0	0	0	0	0	0	0
b) Swaps	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) Other	0	0	0	0	0	0	0	0
3. Currencies and gold								
a) Options	0	0	0	0	0	0	0	0
b) Swaps	0	0	0	0	0	0	0	0
c) Forward	0	0	133,335	0	0	0	66,485	0
d) Futures	0	0	0	0	0	0	0	0
e) Other	0	0	0	0	0	0	0	0
4. Goods	0	0	0	0	0	0	0	0
5. Other	0	0	0	0	0	0	0	0
Total	0	0	133,335	0	0	0	66,485	0
Average values	0	0	GG.G10	0	0	0	66,485	

3.1.A.2 Trading financial derivatives: gross positive and negative fair value – breakdown by product

Underlying assets / Types of derivatives	Total 31/12/2025				Total 31/12/2024			
	Over-the-counter			Organised markets	Over-the-counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements and			With netting agreements	Without netting agreements and	
1. Positive fair value								
a) Options	0	0	0	0	0	0	0	0
b) Interest rate swap	0	0	0	0	0	0	0	0
c) Cross-currency swap	0	0	0	0	0	0	0	0

Underlying assets / Types of derivatives	Total 31/12/2025				Total 31/12/2024			
	Over-the-counter			Organised markets	Over-the-counter			Organised markets
	Central counterpart ies	Without central counterparties			Central counterpart ies	Without central counterparties		
		With netting agreements	Without netting agreements and			With netting agreements	Without netting agreements and	
d) Equity swaps	0	0	0	0	0	0	0	0
e) Forward	0	0	484	0	0	0	422	0
f) Futures	0	0	0	0	0	0	0	0
g) Other	0	0	0	0	0	0	0	0
Total	0	0	484	0	0	0	422	0
2. Negative fair value								
a) Options	0	0	0	0	0	0	0	0
b) Interest rate swap	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	4,340	0	0	0	420	0
f) Futures	0	0	0	0	0	0	0	0
g) Other	0	0	0	0	0	0	0	0
Total	0	0	4,340	0	0	0	420	

3.1.A.3 OTC trading financial derivatives: notional amounts, gross positive and negative fair values by counterparty

Underlying assets	Counterparties central	Banks	Other financial	Other entities
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) Equity securities and share 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	126,639	0	6,696
- positive fair value	X	415	0	69
- negative fair value	X	4,156	0	183
4) Goods				
- notional value	X	0	0	0
- positive fair value	X	0	0	0
- negative fair value	X	0	0	0
5) Other				
- notional value	X	0	0	0
- positive fair value	X	0	0	0
- negative fair value	X	0	0	0
Contracts covered by 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) Equity securities and share 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) Goods				
- notional value	0	0	0	0
- positive fair value	0	0	0	0
- negative fair value	0	0	0	0
5) Other				
- notional value	0	0	0	0
- positive fair value	0	0	0	0
- negative fair value	0	0	0	0

3.1.A.4 Remaining life of OTC trading derivatives: notional values

Underlying assets/Remaining maturity	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 equity securities and share indices	0	0	0	0
A.3 Financial derivatives on currencies and gold	133,335	0	0	133,335
A.4 Financial derivatives on commodities	0	0	0	0
A.5 Other financial derivatives	0	0	0	0
Total 31/12/2025	133,335	0	0	133,335
Total as at 31 December 2024	66,485	0	0	66,485

3.1.B.1 Trading credit derivatives: notional values at the end of the period

Transaction categories	Trading derivatives	
	on a single counterparty	on multiple counterparties (basket)
1. Purchases of protection		
a) Credit default products	0	0
b) Credit spread products	0	0
c) Total rate of return swap	0	0
d) Other	0	0
Total as at 31 December 2025	0	0
Total as at 31 December 2024	0	0
2. Sales of protection		
a) Receivables from default products	0	0
b) Credit spread products	0	0
c) Total rate of return swap	0	0
d) Other	0	0
Total as at 31 December 2025	0	0
Total as at 31 December 2024	0	0

3.1.B.2 Trading credit derivatives: gross positive and negative fair value – breakdown by product

Types of derivatives	Total as at 31 December 2025	Total as at 31 December 2024
1. Positive fair value		
a) Credit default products	0	0
b) Credit spread products	0	0
c) Total rate of return swap	0	0
d) Other	0	0
Total	0	0
2. Negative fair value		
a) Receivables from defaulted products	0	0
b) Credit spread products	0	0
c) Total rate of return swap	0	0
d) Other	0	0
Total	0	0

Notes: The Bank does not enter into credit derivative contracts

3.1.B.3 OTC credit derivatives held for trading: notional amounts, gross fair values (positive and negative) by counterparty

	Central counterparties	Banks	Other financial companies	Other entities
Contracts not covered by netting agreements				
1) Purchase of protection				
- notional value	X	0	0	0
- positive fair value	X	0	0	0
- negative fair value	X	0	0	0
2) Sale of protection				
- notional value	X	0	0	0
- positive fair value	X	0	0	0
- negative fair value	X	0	0	0

	Central counterparties	Banks	Other financial companies	Other entities
Contracts covered by netting agreements				
1) Purchase of protection				
- notional value	0	0	0	0
- positive fair value	0	0	0	0
- negative fair value	0	0	0	0
2) Sale of protection				
- notional value	0	0	0	0
- positive fair value	0	0	0	0
- negative fair value	0	0	0	0

3.2 Accounting hedges

A. Fair value hedging activities

3.2.A.1 Hedging financial derivatives: notional values at the end of the period

3.2.A.1 Hedging financial derivatives: notional values at the end of the period

Underlying assets / Types of derivatives	Total 31/12/2025				Total 31/12/2024			
	Over-the-counter			Organised markets	Over-the-counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting			With netting agreements	Without netting agreements	
1. Debt securities and interest rates								
a) Options	0	0	0	0	0	0	0	0
b) Swaps	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) Other	0	0	0	0	0	0	0	0
2. Equity securities and share indices								
a) Options	0	0	0	0	0	0	0	0
b) Swaps	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) Other	0	0	0	0	0	0	0	0
3. Currencies and gold								
a) Options	0	0	0	0	0	0	0	0
b) Swaps	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) Other	0	0	0	0	0	0	0	0
4. Goods	0	0	0	0	0	0	0	0
5. Other	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0

Qualitative information

Upon first-time adoption of IFRS 9, Banca Cambiano exercised the option provided for in the Standard to continue applying the rules of IAS 39 in full for all types of hedging. Consequently, the provisions of IFRS 9 relating to hedging do not apply.

A. Fair value hedging

The hedging activities undertaken by the Bank are designed to immunise the banking book against changes in the fair value of funding and lending caused by movements in the interest rate curve (interest rate risk). As at 31 December 2025, there were no hedging transactions in place.

B. Cash flow hedging.

The Bank has no cash flow hedging transactions.

C. Hedging of foreign investments

The Bank has no hedging transactions relating to foreign investments.

D. Hedging instruments

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 commences and, prospectively, throughout its entire life. Effectiveness is assessed through specific measurements and is achieved when changes in *the fair value* of the hedging financial instrument almost entirely offset changes in the risk on the hedged item. The *range* within which a hedge is considered highly effective is between 80% and 125%. Effectiveness is assessed at each balance sheet date or interim reporting date (half-yearly). If the effectiveness test reveals an insufficient hedging relationship and the misalignment is deemed not to be temporary, the derivative instrument is allocated to the trading portfolio. Hedging derivatives are accounted for using the 'trade date' principle.

As at 31 December 2024, there were no hedging transactions in place.

E. Hedged items

As at 31 December 2025, there were no hedging transactions in place.

E.1 Debt securities held as assets

As at 31 December 2025, there were no hedging transactions in place.

3.2.A.2 Hedging financial derivatives: gross fair value (positive and negative) – breakdown by product

Underlying assets / Types of derivatives	Total 31 December 2025				Total 31 December 2024			
	Over-the-counter			Organised markets	Over-the-counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements and			With netting agreements	Without netting agreements and	
1. Positive fair value								
a) Options	0	0	0	0	0	0	0	0
b) Interest rate swap	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	0	0	0	0	0	0
f) Futures	0	0	0	0	0	0	0	0
g) Other	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0
2. Negative fair value								
a) Options	0	0	0	0	0	0	0	0
b) Interest rate swap	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	0	0	0	0	0	0
f) Futures	0	0	0	0	0	0	0	0
g) Other	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0

3.2.A.3 OTC hedging derivatives: notional amounts, gross positive and negative fair values by counterparty

Underlying assets	Central counterparties	Banks	Other financial companies	Other entities
Contracts not covered by netting agreements				
1) Debt securities and interest rates				
- notional value	X	0	0	0
- positive fair value	X	0	0	0
- negative fair value	X	0	0	0

Underlying assets	Central counterparties	Banks	Other financial companies	Other entities
2) Equity securities and share 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	0	0	0
- positive fair value	X	0	0	0
- negative fair value	X	0	0	0
4) Goods				
- notional value	X	0	0	0
- positive fair value	X	0	0	0
- negative fair value	X	0	0	0
5) Other				
- notional value	X	0	0	0
- positive fair value	X	0	0	0
- negative fair value	X	0	0	0
Contracts covered by 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) Equity securities and share 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) Goods				
- notional value	0	0	0	0
- positive fair value	0	0	0	0
- negative fair value	0	0	0	0
5) Other				
- notional value	0	0	0	0
- positive fair value	0	0	0	0
- negative fair value	0	0	0	0

3.2.A.4 Remaining life of OTC hedging derivatives: notional amounts

Underlying assets/Remaining maturity	Up to 1 year	Over 1 year and up to 5 years	Over 5 years	Total 31/12/2025
A.1 Financial derivatives on debt securities and interest rates	0	0	0	0
A.2 Financial derivatives on equity securities and share indices	0	0	0	0
A.3 Financial derivatives on currencies and gold	0	0	0	0
A.4 Other financial derivatives	0	0	0	0
Total 31/12/2025	0	0	0	0
Total 31 December 2024	0	0	0	0

D. Hedged instruments

3.2.D.1 Fair value hedges

	Specific hedges : carrying amount	Specific hedges – net positions: carrying amount of the assets or liabilities (before offsetting)	Specific hedges			General hedges : carrying amount
			Cumulative changes in the fair value of the hedged item	Termination of the hedge: remaining cumulative changes in fair value	Changes in the value used to measure hedge ineffectiveness	
A. Assets						
1. Financial assets measured at fair value through comprehensive income – hedging of:						
1.1 Debt securities and interest rates	0	0	0	0	0	X
1.2 Equity securities and share indices	0	0	0	0	0	X
1.3 Currencies and gold	0	0	0	0	0	X
1.4 Receivables	0	0	0	0	0	X
1.5 Other	0	0	0	0	0	X
2. Financial assets measured at amortised cost – hedging of:	0	0	0	0	0	0
1.1 Debt securities and interest rates	0	0	0	0	0	X
1.2 Equity securities and share indices	0	0	0	0	0	X
1.3 Currencies and gold	0	0	0	0	0	X
1.4 Receivables	0	0	0	0	0	X
1.5 Other	0	0	0	0	0	X
Total 31/12/2025	0	0	0	0	0	0
Total 31/12/2024	0	0	0	0	0	0
B. Liabilities	0	0	0	0	0	0
1. Financial liabilities measured at amortised cost – hedging of:	0	0	0	0	0	0
1.1 Debt securities and interest rates	0	0	0	0	0	0
1.2 Currencies and gold	0	0	0	0	0	0
1.3 Other	0	0	0	0	0	0
Total 31/12/2025	0	0	0	0	0	0
Total 31/12/2024	0	0	0	0	0	0

3.3 Further information on trading and hedging derivatives

A. Financial and credit derivatives

3.3.A.1 OTC financial and credit derivatives: net fair value by counterparty

	Central central	Banks	Other companies financial	Other entities
A. Financial derivatives				
1) Debt securities and interest rates				
- notional value	0	0	0	0
- positive net fair value	0	0	0	0
- negative net fair value	0	0	0	0
2) Equity securities and share indices				
- notional value	0	0	0	0
- positive net fair value	0	0	0	0
- negative net fair value	0	0	0	0
3) Currencies and gold				
- notional value	0	126,639	0	6,696
- positive net fair value	0	415	0	69
- negative net fair value	0	4,156	0	183
4) Commodities				
- notional value	0	0	0	0
- positive net fair value	0	0	0	0
- negative net fair value	0	0	0	0
5) Other				
- notional value	0	0	0	0
- positive net fair value	0	0	0	0
- negative net fair value	0	0	0	0
B. Credit derivatives				
1) Purchase of protection				
- notional value	0	0	0	0
- positive net fair value	0	0	0	0

	Counterparties central	Banks	Other financial	Other entities
- negative net fair value	0	0	0	0
2) Sale of protection				
- notional value	0	0	0	0
- positive net fair value	0	0	0	0
- negative net fair value	0	0	0	0

Section 4 – Liquidity risk

A. General aspects, management processes and methods for measuring liquidity risk

Liquidity risk management is primarily carried out by the Securities Portfolio and Treasury Department, the Financial Reporting Department, Planning and Management Control, and by Risk Management, with the aim of verifying the Bank's ability to efficiently meet any liquidity requirements and avoid finding itself in situations of excess and/or insufficient liquidity, with the consequent need to invest and/or raise funds at rates unfavourable compared to market rates.

The overall model adopted by the Bank for the management and monitoring of liquidity risk is structured around three distinct areas, depending on the scope, time horizon and frequency of analysis:

- intra-day liquidity management, i.e. the management of daily settlements of debit and credit positions across the various settlement, payment and clearing systems in which the Bank participates;
- operational liquidity management, i.e. the management of the most volatile events affecting the Bank's liquidity position, with the primary objective of maintaining the Bank's ability to meet both routine and non-routine payment obligations, whilst minimising the associated costs;
- structural liquidity management, i.e. the management of all events within the banking book that affect the Bank's overall liquidity position over the medium term, with the primary objective of maintaining an appropriate dynamic balance between medium- and long-term liabilities and assets.

Significant support for liquidity risk management is provided by the monitoring carried out by Risk Management, using a model designed to identify the effects of investment and financing transactions through the analysis of their maturity distribution. Operations are measured using methodologies that enable the assessment and management of both any liquidity shortfall or surplus generated by an imbalance in cash inflows and outflows, and the structural balance resulting from the correct maturity composition of funding 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 involves constructing a 'maturity ladder' (a time-based scale of maturities) and the allocation of certain and estimated cash flows across its various time bands in order to calculate the cumulative gap for each maturity band.

As part of its liquidity policy, the Bank has defined, in line with the risk tolerance threshold established by the Board of Directors, alerts for the management of both operational and structural liquidity.

With regard to the management of operational liquidity, the limits are defined in terms of the absolute values of the cumulative gaps across the various maturities.

The Bank continuously monitors the value of its Counterbalancing Capacity (CBC), defined as the availability of assets that can be redeemed, sold or used in refinancing transactions with the interbank system, and which therefore enable liquidity to be generated quickly and efficiently.

The limit adopted by the Bank for monitoring structural liquidity risk is, however, 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 is maintained that is consistent with the strategy of funding medium- to long-term assets with liabilities of the same duration.

The Bank also has in place a "Liquidity Risk Governance and Management Manual" and a "Contingency Liquidity Plan", which serve as tools for mitigating liquidity risk.

The document sets out in detail the individuals and structures responsible for implementing the extraordinary funding policies to be put in place should the need arise, as well as the actions to be taken to remedy any such situations, in accordance with the regulatory requirements laid down by supervisory authorities.

As part of the development of the "Contingency Liquidity Plan", the Bank has established a series of risk indicators, which are constantly monitored in order to anticipate any situations of stress or liquidity crises.

The "Liquidity Coverage Ratio" (LCR) is calculated in accordance with the provisions of EU Delegated Regulation 2015/61, issued to supplement EU Regulation No 575 of 26 June 2013 of the European Parliament (CRR), as well as the further guidance and recommendations of the European Banking Authority on this matter.

With regard to the "Net Stable Funding Ratio" (NSFR), the Bank has implemented a management-based measurement in accordance with the provisions of the Basel III Framework.

From the reference date of 9 July 2019, the Risk Management Function submits a specific template to the Supervisory Authority on a weekly basis for the monitoring of the liquidity position.

From the reference date of 11 November 2025, the Risk Management Function will send the Supervisory Authority a specific template for monitoring the liquidity position on a daily basis.

At its meeting on 28 February 2024, the Board of Directors approved the update to the Contingency Funding Plan (REG 151).

Quantitative information

A.1 Time distribution by remaining contractual maturity of financial assets and liabilities – All currencies – Part 1

Items/Time bands	On demand	More than 1 day to 7 days	From more than 7 days to 15 days	From more than 15 days to 1 month	From over 1 month up to 3 months	From over 3 months up to 6 months
Cash assets						
A.1 Government securities	1,553	0	0	0	66,728	4,286
A.2 Other debt securities	0	0	0	0	31	93
A.3 O.I.C.R. units	35,379	0	0	0	0	0
A.4 Loans	0	0	0	0	0	0
- Banks	121,616	0	0	0	3,006	0
- Customer base	758,236	4,312	7,539	28,293	122,065	112,930
Cash liabilities						
B.1 Deposits and current accounts	0	0	0	0	0	0
- Banks	58,249	0	0	8,511	0	0
- Customer base	2,405,677	6,715	8,634	19,311	375,297	40,115
B.2 Debt securities	0	0	0	0	0	683
B.3 Other liabilities	11,413	0	100,000	0	8,010	0
"Off-balance-sheet" transactions						
C.1 Financial derivatives involving an exchange of principal	0	0	0	0	0	0
- Long positions	0	3,363	53,932	6,663	60,701	5,876
- Short positions	0	3,300	56,759	7,203	61,727	5,871
C.2 Financial derivatives without exchange of principal	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 receivable	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	145	0	2	40	229	228
- Short positions	12,767	0	0	0	0	0
C.5 Financial guarantees issued	0	0	0	0	0	0
C.6 Financial guarantees received	0	0	0	0	0	0
C.7 Credit derivatives involving an exchange of principal	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 principal 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 remaining contractual maturity of financial assets and liabilities – All currencies – Part 2

Items/Time bands	Over 6 months up to 1 year	From more than 1 year up to 5 years	Over 5 years	Indefinite duration	Totals
Cash assets					
A.1 Government securities	69,383	472,248	172,826	0	787,024
A.2 Other debt securities	4,804	0	0	0	4,928
A.3 O.I.C.R. units	0	0	0	0	35,379
A.4 Loans	0	0	0	0	0
- Banks	0	50,000	0	23,199	197,821
- Customer base	167,287	796,687	1,021,595	0	3,018,944
Cash liabilities					
B.1 Deposits and current accounts	0	0	0	0	0
- Banks	0	0	0	0	66,759
- Customers	75,485	616,459	2,583	0	3,550,275
B.2 Debt securities	346	65,931	18,600	0	85,560
B.3 Other liabilities	0	0	33,182	0	152,605
"Off-balance sheet" transactions					
C.1 Financial derivatives involving an exchange of principal	0	0	0	0	0
- Long positions	515	0	0	0	131,049
- Short positions	514	0	0	0	135,375
C.2 Financial derivatives without an exchange of principal	0	0	0	0	0
- Long positions	0	0	0	0	0
- short positions	0	0	0	0	0
C.3 Deposits and loans receivable	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

Items/Time bands	From over 6 months up to 1 year	From over 1 year up to 5 years	Over 5 years	Indefinite duration	Totals
- Long positions	1,896	6,382	3,846	0	12,767
- Short positions	0	0	0	0	12,767
C.5 Financial guarantees issued	0	0	0	0	0
C.6 Financial guarantees received	0	0	0	0	0
C.7 Credit derivatives involving an exchange of principal	0	0	0	0	0
- Long positions	0	0	0	0	0
- Short positions	0	0	0	0	0
C.8 Credit derivatives without principal exchange	0	0	0	0	0
- Long positions	0	0	0	0	0
- Short positions	0	0	0	0	0

List of guarantees – Position with the Clearing and Guarantee Fund and other entities as at 31 December 2025

ISIN	Security	Nominal Value	Balance Sheet Value
IT0005315228	PONTORMO RMBS 17-60 TV A2/PRO	9,968	8,703
IT0005391245	PONTORMO RMBS A2-19 SUB/PRO	104,573	91,297
	Totals	114,542	100,000

List of collateral – Position with the Eurosystem as at 31 December 2025

ISIN	Security	Value Nominal	Balance Balance sheet	Valuation ECB	Discount ECB	Portfolio
0	COLLATERALISED CLAIMS WITH THE EUROSISTEM	307,060	307,060	165,813	-141,248	HTC
0	COLLATERALISED CLAIMS WITH THE EUROSISTEM	184,959	184,959	116,524	-68,435	HTC
	Totals	4G 2,020	4G 2,020	282,337	-20G 683	
	Credit line			282,337		

Section 5 – Operational Risks

Qualitative information
General aspects, management processes and methods for measuring operational risk

Operational risk is the risk of incurring losses arising from the inadequacy or malfunction of procedures, human resources and internal systems, or from external events. This risk is inherent in the conduct of banking business and may therefore arise from and be present in all business processes. In general, the main sources of operational risk can be attributed to internal fraud, external fraud, employment relationships and health and safety at work, professional obligations towards customers, damage caused by external events, IT system malfunctions, and the execution, delivery and management of processes. The Bank has established a set of organisational processes for monitoring and managing operational risks, within which it utilises specific functions:

- Internal Audit, whose activities are aimed, on the one hand, at monitoring the regularity of operations and the development of risks, and, on the other, at assessing the effectiveness of the overall internal control system;
- the Supervisory Body pursuant to Legislative Decree 231/2001, whose composition and functioning are governed by specific regulations, within the framework of the adopted Organisation, Management and Control Model;
- Risk Management, which addresses the need to identify and measure the risks typical of the banking business through constant monitoring of those assumed and those potentially generated by investment, lending and service policies;
- Compliance, which is responsible for overseeing and monitoring compliance with regulations, providing support in the prevention and management of the risk of incurring judicial or administrative sanctions and/or suffering significant losses resulting from breaches of external or internal regulations.

Also to guard against the occurrence of operational risks, the following have been drawn up and are constantly updated:

- the “Business Continuity Plan”, designed to safeguard the Bank against critical events that could impair its full operational capacity;
- a mapping of the main operational processes (credit, finance and retail banking), with the aim of standardising staff behaviour and facilitating the integration of controls.

Particular attention has been paid to the issue of IT risk, which by definition falls within the scope of operational risk, by establishing rules and processes for the identification, recording and containment of events arising, or which may arise, from malfunctions in IT procedures and/or equipment, such as network outages, unavailability of internet banking, and inaccuracies in applications used for branch operations. Finally, as part of the measures undertaken to ensure full compliance with the new regulations introduced by the Bank of Italy through Circular 285, initiatives are noteworthy relating to the completion of the implementation of the provisions set out in 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 to ensure the effectiveness and efficiency of the measures protecting its information system, defines, in close coordination with the project findings developed within the Cabel network and in

accordance with current regulatory principles and provisions, a methodology for analysing IT risk and the related management process, which forms part of the Bank's broader risk management system.

The Bank has adopted the Basic Indicator Approach (BIA) for calculating the capital requirement for operational risk, under which the capital required to cover this type of risk is set at 15 per cent of the average of the 'relevant indicator' for the last three financial years, calculated in accordance with Articles 315 and 316 of the CRR Regulation. The risk-weighted exposure for this type of risk as at 31 December 2025 is €37,471,376, and the corresponding capital requirement amounts to €2,997,710

Quantitative information

The following table sets out the actual losses incurred over the last two financial years, classified according to the categories set out in the regulatory provisions. The scale of these losses, partly as a result of the findings of the risk assessment carried out on the specific type of risk in question, is not material; however, specific records are kept of the events that gave rise to the losses.

Types of loss-causing events	Definition	2025	2024
Event categories (Level 1)			
1. Internal fraud	Losses resulting from fraud, embezzlement or breaches of laws, regulations or company policies – excluding incidents of discrimination or failure to apply equal treatment – which involve at least one internal party	0	0
2. External fraud	Losses due to fraud, embezzlement or breaches of the law by a third party	39,419	6,896
3. Employment relations and health and safety at work	Losses arising from acts that do not comply with laws or agreements relating to employment, health and safety at work, from the payment of compensation for personal injury, or from incidents of discrimination or failure to apply equal treatment	0	0
4. Customers, products and operating practices	Losses arising from breaches, whether unintentional or due to negligence, of professional obligations towards specific clients (including requirements of trust and suitability), or arising from the nature or product design	116,132	959,905
5. Damage to property	Losses due to loss of or damage to tangible assets resulting from natural disasters or other events	0	0
6. Business interruptions and IT system failures IT	Losses due to operational disruptions or IT system malfunctions	0	0
7. Execution, delivery and process management	Losses arising from shortcomings in the processing of transactions or the management of processes, as well as in relations with business counterparties, vendors and suppliers	183,383	234,543
TOTAL		338.634	1,201,344

ESG risks

At this initial stage of our approach to ESG risk analysis, greater attention has been paid to climate risks, in line with the guidance from supervisory authorities, as these risks are currently at a less advanced stage in terms of methodological approaches and analytical techniques compared to *social* and *governance* risks. Consequently, climate risks – categorised as physical and transition risks – have been separated from the risk map, distinct from other social and governance risks, which are of lesser relevance and materiality.

With this in mind, from the 2023 financial year onwards, quarterly analyses of exposure to the following are carried out:

- Transition risk on loans to non-financial counterparties, assessing the proportion of loans and interest margin attributable 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 associated with the properties securing credit exposures; and
- Physical risk of non-financial companies, aimed at estimating the impact and degree of exposure to physical risks associated with the properties in which these companies have their headquarters.

The relative level of the loan portfolio's exposure to transition risk was estimated by comparing the sectoral composition of the Bank's credit exposures to corporate counterparties with that of the Italian and European banking sectors, focusing on those sectors considered to be most exposed to this

to climate risk, in order to identify any over- or under-exposure of the Bank compared with the rest of the banking system.

Indeed, at this particular juncture in history, transition risk is closely linked to the likely impacts that the European Union's environmental policies – aimed at reducing greenhouse gas (GHG) emissions to mitigate the effects of climate change – may have on businesses.

This type of impact lends itself well to being analysed, as a first approximation, at sector level, as companies operating in the same sector tend, on average, to have similar business models, including in terms of emissions and therefore potential impacts.

The analysis, therefore, aimed to compare the sectoral composition of the Bank's 'corporate' loan portfolio with that of the banking sector as a whole. Set out below is the breakdown of loans across the economic sectors considered to be most exposed to transition risk. These sectors were identified on the basis of guidance provided by the supervisory authorities, in particular the list of sectors for which the EBA has required banks to provide specific additional disclosures in their Pillar 3 reporting in relation to transition risk¹⁰. Data on Italian and European banking exposures were taken from the EBA database, updated to June 2025¹¹.

Code NACE	Sectors exposed to transition risk	Europe	Italy	Banking Changes
B	B – extraction of minerals from quarries and mines	0.9%	0.6%	0.9%
D	D – supply of electricity, gas, steam and air conditioning	5.7%	5.1%	0.2%
E	E – water supply; sewerage, waste management and sanitation	1.1%	1.4%	0.6%
H	H – transport and warehousing	5.1%	5.6%	2.8%
C	C – manufacturing	15.7%	28.0%	26.4%
G	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	12.1%	17.0%	14.2%
L	L – property activities	18.3%	11.8%	15.2%
F	F – construction	4.4%	7.3%	7.9%
A	A – agriculture, forestry and fishing	3.0%	2.4%	6.7%
X	Other (Other NACE codes)	33.7%	20.8%	25.1%
Total		100.0%	100.0%	100.0%

An analysis of the sectoral breakdown of lending reveals that the level of exposure to sectors most exposed to transition risk is broadly in line with that of the banking sector, with a slightly higher proportion in the construction and agricultural sectors. Compared with European and Italian industry averages, the Group has limited exposure to the energy sector, the transport and storage sector, and the water supply, sewerage and waste management sector (categories D, E, H), which, by their nature, are highly susceptible to the dynamics of transition risk.

For the assessment of physical risks, landslide, water-related and seismic risks were analysed, both at the level of the NFC portfolio (based on the municipality in which the company's head office is located) and at the level of the properties underpinning credit exposures. With regard to landslide and flood risks, reference was made to the contents of the ISPRA Environmental Report No. 356/2021 – 'Hydrogeological Instability in Italy: Hazard and Risk Indicators', in which, on the subject of landslide risk, the municipal area is divided into five hazard classes (AA – area of concern; P1 – moderate hazard; P2 – medium hazard; P3 – high hazard; P4 – very high hazard); whilst, with regard to flood risk, the municipal area is divided into three hazard classes (HPH – high hazard; MPH – medium hazard; LPH – low hazard).

As regards seismic risk, reference was made to the "Seismic Classification 04/2023" produced and published by the Civil Protection Department, 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 impairment add-ons, which, at an individual level, resulted in an increase in adjustments to the Stage 1 segment of approximately €1.03 million and to the Stage 2 segment of approximately €2.68 million.

Public disclosure

Information regarding capital adequacy, risk exposure and the characteristics of the systems in place for the identification, measurement and management of such risks, as 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-pubblico/>

¹⁰ See EBA; Final draft implementing technical standards on prudential disclosures on ESG risks in accordance with Article 449a of the CRR; 24 January 2022.

¹¹ 2024 – EU-wide transparency exercise.

PART F – Information on assets

Section 1 – The company's assets

A. Qualitative information

Asset management is the responsibility of the Board of Directors, which determines the optimal level of assets in accordance with the Bank's policies and strategic decisions. In line with its strategic development guidelines, the Bank takes the necessary measures to ensure that its current and prospective capital adequacy remains adequate, taking into account the Bank of Italy regulations in force at the time, the Basel III regulatory framework – which it uses to determine its own funds – and the targets set by the Supervisory Authority. Since 2019, Banca Cambiano has had a Capital Management Plan in place, which is systematically monitored by the Risk Management function; the governance of this plan ensures the adequacy of current and prospective capital. Compliance with supervisory requirements is reviewed at least quarterly and, where 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 Bank refers consist of the minimum parameters set out in Article 92 of the CRR, the capital decisions issued by the Bank of Italy following 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%, Banca Cambiano is required to comply with the following requirements:

- A Common Equity Tier 1 (CET1) ratio of 8.30%, comprising the binding Total SREP Capital Requirement of 5.80% (of which 4.5% is in accordance with Article 92 of the CRR) and the Capital Conservation Buffer of 2.5%)
- Tier 1 capital ratio of 10.20 per cent: comprising the binding Total SREP Capital Requirement of 7.70 per cent (of which 6 per cent in accordance with Article 92 of the CRR) and the Capital Conservation Buffer of 2.5 per cent;
- Total capital ratio of 12.80%, comprising the binding Total SREP Capital Requirement of 10.30% (of which 8% in accordance with Article 92 of the CRR) and the capital conservation buffer of 2.5%.

To ensure compliance with the above binding requirements even in the event of a deterioration in the economic and financial environment, the Target component (Pillar 2 Guidance, P2G), identified to address increased risk exposure under stress conditions, amounts to 1.75 per cent.

On 26 April 2024, the Bank of Italy, exercising the powers granted to national authorities under Article 133 of EU Directive /2019/878 (known as CRD5), decided to activate a systemic risk buffer (SYRB) equal to 1.0 per cent of credit- and counterparty-risk-weighted exposures to residents in Italy.

The target rate of 1.0 per cent has been achieved gradually by building up a buffer equal to 0.5 per cent of relevant exposures by 31 December 2024 and the remaining 0.5 per cent by 30 June 2025.

As at 31 December 2025, the SYRB reserve amounted to 13.19 million, representing 0.842 per cent of total RWA.

The level of own funds as at 31 December 2025, standing at 14.18 per cent of CET1, 16.63 per cent of Tier 1 and 19.79 per cent of Total Capital, is fully adequate against all three mandatory capital requirements, and the CCoB and SyRB reserves are covered by Common Equity Tier 1 capital.

The figures set out above have been calculated in accordance with Article 468 of Regulation (EU) No 575/2013 (CRD) as amended by Regulation (EU) No 1623/2024, which came into force on 9 July 2024: the Bank has opted for the temporary treatment of excluding from the CET1 calculation any unrealised gains and losses measured at fair value recognised in other comprehensive income for exposures to central governments classified therein. As at 31 December 2025, the CET1 add-back component amounts to 100 per cent of unrealised gains and losses, net of tax, totalling 0.6 million

The level of own funds as at 31 December 2025, known as 'fully loaded', results in the following capital *ratios*: 14.14% CET1, 16.58% Tier 1 and 19.75% Total Capital.

The monitoring of current and prospective capital adequacy is carried out not only by measuring and monitoring regulatory capital against 'Pillar 1' risks, but also through the assessment of internal capital suitable for addressing all types of risk (so-called 'Pillar 2' risks) as part of the ICAAP – the Internal Capital Adequacy Assessment Process – which culminates in the preparation of the annual group-level report and forms the basis for the subsequent Supervisory Review and Evaluation Process (SREP) carried out by the supervisory authority.

The bank's equity, as a financial resource capable of absorbing potential losses arising from exposure to business risks and therefore essentially falling within the definition of 'Own Funds' as referred to in EU Regulation 575/2013, is determined by the sum of share capital, share premium reserve, retained earnings, valuation reserves, capital instruments and profit for the year, for the portion to be allocated to reserves, as set out in Part B of this Section.

B. Quantitative information
B.1 Company's equity: composition

Items\Amounts	Amount 31/12/2025	Amount 31/12/2024
1. Capital	252,800	252,800
2. Share premium	803	803
3. Reserves	-13,997	-21,482
- retained earnings	-13,997	-21,482
a) statutory	4,562	3,862
b) statutory	0	0
c) treasury shares	0	0
d) other	-18,559	-25,344
- other	0	0
4. Equity instruments	40,000	40,000
5. (Treasury shares)	0	0
6. Valuation reserves	694	-1,064
- Equity securities designated at fair value through other comprehensive income	-222	-396
- Hedging of equity securities designated at fair value through other comprehensive income	0	0
- Financial assets (other than equity securities) measured at fair value through comprehensive income	-585	-2,151
- Tangible assets	0	0
- Intangible assets	0	0
- Hedging of foreign investments	0	0
- Hedging of cash flows	0	0
- Hedging instruments (undesignated items)	0	0
- Exchange rate differences	0	0
- Non-current assets and disposal groups	0	0
- Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness)	0	0
- Actuarial gains (losses) relating to defined-benefit pension schemes	-687	-771
- Share of valuation reserves relating to investees accounted for using the equity method	2,188	2,253
- Special revaluation legislation	0	0
- Financial assets available for sale (formerly IAS 3S)	0	0
7. Profit (loss) for the year	7,030	14,005
Total	287,331	285,062

B.2 Revaluation reserves for financial assets measured at fair value through other comprehensive income: breakdown

Assets/Values	Total 31/12/2025		Total 31/12/2024	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	0	585	0	2,151
2. Equity securities	54	275	42	438
3. Loans	0	0	0	0
Total	54	861	42	2.58G

B.3 Revaluation reserves for financial assets measured at fair value through other comprehensive income: year-on-year changes

Items	Debt securities	Equity securities	Loans
1. Opening balance	-2,151	-3G6	0
2. Increases	1.5G2	174	0
2.1 Increases in fair value	1,123	174	0
2.2 Value adjustments for credit risk	0	0	0
2.3 Transfer to the profit and loss account of negative reserves arising from realisation	469	0	0
2.4 Transfers to other components of net equity (equity securities)	0	0	0
2.5 Other changes	0	0	0
3. Negative changes	27	0	0
3.1 Decreases in fair value	11	0	0
3.2 Reversals of credit risk provisions	0	0	0

Items	Debt securities	Equity securities	Loans
3.3 Transfer to the profit and loss account from positive reserves: from realisation	16	X	0
3.4 Transfers to other components of net assets (equity securities)	0	0	0
3.5 Other changes	0	0	0
4. Closing stock	-585	-222	0

Section 2 – Own funds and prudential ratios

As provided for in the current version of Circular 262 “Bank financial statements: formats and rules for preparation”, reference is made to the information disclosed to the public (“Pillar 3”) provided on a consolidated basis by the Cambiano Banking Group.

PART G – Business combinations involving companies or business units

Section 1 – Transactions carried out during the financial year

During the 2025 financial year, no business combinations were carried out within the meaning of the accounting standard, as defined by IFRS 3.

Section 2 – Transactions carried out after the end of the financial year

No business combinations took place after the end of the financial year.

Section 3 – Retrospective adjustments

No adjustments were recognised in the current financial year relating to business combinations that took place in previous financial years.

PART H – Transactions with related parties

Introduction

As at 31 December 2025, the Bank is the parent company of the Cambiano Banking Group, comprising:

- Cambiano Leasing S.p.A.
- Società Immobiliare 1884 S.r.l.

The types of related parties, as defined by IAS 24, that are material to the Bank therefore include:

- the parent company;
- subsidiaries or associates;
- directors with strategic responsibilities;
- close family members of directors with strategic responsibilities, or companies controlled by (or associated with) such directors or their close family members.

Information on the remuneration of key management personnel and on transactions with related parties is provided below.

1. Information on the remuneration of senior executives with strategic responsibilities

The definition of executives with strategic responsibilities, in accordance with IAS 24, includes those individuals who have the power and responsibility, directly or indirectly, for the planning, management and control of the Bank's activities, 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), members of the Board of Statutory Auditors are also included among executives with strategic responsibilities.

The following table sets out the remuneration accrued in 2025 for Directors, Statutory Auditors and senior executives with strategic responsibilities:

Information on the remuneration of executives with strategic responsibilities (gross remuneration)

Items	31/12/2025	31/12/2024	Change	% change
a) Directors' remuneration	643	599	44	7.35%
b) Remuneration of statutory auditors	311	305	7	2.22%
c) Remuneration of senior executives	1,335	1,401	-66	-4.71%
Total	2.260	2,305	-15	-0.66%

Information on transactions with related parties

Directors	31 December 2025	31/12/2024	Change	% change
a) Receivables	3,510	5,931	-2,420	-40.81%
b) Guarantees given	86	0	86	-
Total	3.566	5.631	-2,334	-36.36%

Auditors	31 December 2025	31/12/2024	Change	% change
a) Receivables	9,837	67	9,769	14,546.51%
b) Guarantees given	3	0	3	-
Total	9.837	67	9.772	14,550.23%

Information on transactions with related parties

The table below sets out the assets, liabilities, guarantees and commitments outstanding as at 31 December 2025, broken down by the different categories of related parties as defined by IAS 24.

Financial statement items	Parent company	Subsidiaries	Subsidiaries	Statutory Auditors	Managers with strategic	Other related	Total	% of balance sheet
Item 40 – Financial assets measured at amortised cost - a) receivables from banks	0	0	0	0	0	0	0	0.00%
Item 40 – Financial assets measured at amortised cost - b) loans and advances to customers	22,336	244,965	3,510	9,837	1,026	0	281,674	8.12%
Item 120 – Other assets	0	0	0	0	0	0	0	0.00%
Total assets	22,336	244.665	3,510	9.837	1,026	0	281,674	6.60%
Item 10 – Financial liabilities measured at amortised cost - a) bank borrowings	0	0	0	0	0	0	0	0.00%

Financial statement items	Parent company	Subsidiaries	Subsidiaries	Auditors	Managers with strategic	Other related	Total	% of balance sheet
Item 10 – Financial liabilities measured at amortised cost -b) amounts owed to customers	0	14,455	8,346	21,899	751	1,733	47,184	1.31%
Item 50 – Other liabilities	0	0	0	0	0	0	0	0.00%
Total liabilities	0	14,455	8,346	21.8 days	751	1,733	47,184	1.11%
Guarantees issued	5	2.615	86	3	5	3	3,016	

With regard to transactions with persons exercising administrative, management and control functions within the Bank, Article 136 of Legislative Decree 385/1993 and Article 2391 of the Civil Code apply.

More generally, for transactions with related parties, as defined by IAS 24, the prudential supervisory provisions set out in Title V, Chapter 5, of Bank of Italy Circular No. 263/2006 ("Risk activities and conflicts of interest with related parties"), except in a few limited cases due to the fact that the scopes of application of the two sets of regulations do not perfectly coincide.

Transactions with related parties are regularly carried out on arm's length terms and, in any event, on the basis of assessments of economic advantage and always in compliance with current legislation, providing adequate justification for the reasons and benefits of entering into such transactions.

Among the main intra-group contracts currently in force, the following are noted as at the end of the financial year:

- 1) the agreement entered into between the Bank and the Parent Company for the Bank to carry out administrative and supervisory activities;
- 2) the contracts relating to the Parent Company's performance of audit, compliance, anti-money laundering, due diligence and risk management activities on behalf of the subsidiaries;
- 3) the loan agreements:
 - a) a cash flexibility facility linked to the parent company's financial requirements of €14 million, granted in the form of a current account credit facility at a rate of 1%, and a mortgage loan of €11 million disbursed on 2 April 2025 at a rate of 1%;
 - b) a cash flow facility relating to the financial requirements of Cambiano Leasing of €293 million, granted in the form of a current account credit facility, at a rate of 3-month Euribor + 1.30%
 - c) a cash flow facility relating to the financial requirements of Immobiliare 1884 srl of €15.8 million, granted in the form of a current account credit facility at a rate of 2 per cent and an unsecured loan of €694 mgl at a rate of Euribor + 2 per cent.

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS



BEPPE SERAFINI (1915–1987),
“Cattle and Sunflowers”
second half of the 20th
century, oil and engravings on cardboard,
70x100 cm,
Collection of

**REPORT BY THE INDEPENDENT AUDITORS
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE NO. 39 OF 27 JANUARY 2010 AND
ARTICLE 10 OF REGULATION (EU) NO. 537/2014**

To the Shareholders of
Banca Cambiano 1884 S.p.A.

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Opinion

We have audited the annual financial statements of Banca Cambiano 1884 S.p.A. (the "Bank"), comprising the balance sheet as at 31 December 2025, the profit and loss account, the statement of comprehensive income, the statement of changes in equity, the cash flow statement for the financial year ended on that date, and the notes to the financial statements, which include relevant information on the accounting policies applied.

In our opinion, the financial statements give a true and fair view of the Bank's financial position as at 31 December 2025, its financial performance and cash flows for the financial year ended on that date, in accordance with the IFRS accounting standards issued by the International Accounting Standards Board and adopted by the European Union, as well as the provisions issued pursuant to Article 43 of Legislative Decree No. 138/15.

Key elements of the opinion

We conducted the audit in accordance with International Standards on Auditing (ISA Italy). Our responsibilities under these standards are further described in the section *'Responsibilities of the audit firm for the audit of the financial statements'* in this report. We are independent of the Bank in accordance with the rules and principles on ethics and independence applicable under Italian law to the audit of financial statements. We believe that we have obtained sufficient and appropriate audit evidence on which to base our opinion.

Key audit matters

The key audit matters are those matters which, in our professional judgement, were of most significance in the audit of the financial statements for the year under review. We addressed these matters as part of our audit and in forming our opinion on the financial statements as a whole; therefore, we do not express a separate opinion on these matters.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Classification and measurement of loans and advances to customers measured at amortised cost that are impaired and classified as non-performing or in probable default

Description of the key audit matter

As reported in the 'Credit Quality' section of the management report and in the quantitative information under 'Section 1 — Credit Risk' of Part E — Information on risks and related hedging policies in the notes to the financial statements as at 31 December 2025, Banca Cambiano 1884 S.p.A.'s impaired loans to customers measured at amortised cost amount to a gross value of €224.61 million, to which specific value adjustments of €1 07.59 million are associated, resulting in a net value of €11 17.02 million.

The management report also highlights that the coverage ratio for impaired loans to customers measured at amortised cost as at 31 December 2025 stands at 47.90 per cent. In particular, the aforementioned impaired loans, classified in accordance with the provisions of International Financial Reporting Standard (IFRS) 9 'Financial Instruments' in the so-called 'stage 3', include non-performing loans with a net value of €32.88 million, with a coverage ratio of 67.40 per cent, and loans in probable default with a net value of €71.30 million, with a coverage ratio of 34.46 per cent.

For the classification of credit exposures into homogeneous risk classes, the Bank 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 Bank, as part of its classification and valuation policies, has employed valuation processes and methods characterised by elements of subjectivity and the estimation of certain variables, such as, primarily, projected cash flows, expected recovery times and the estimated realisable value of collateral, where applicable, changes to which may result in a variation in the final recoverable amount.

Disclosures regarding the aspects described above are provided in the management report and in the notes to the financial statements: Part A — Accounting policies, Part B — Information on the balance sheet, Section 4 of assets, Part C — Information on the profit and loss account, Section 8, and Part E — Information on risks and related hedging policies.

In view of the materiality of the amount of impaired loans to customers measured at amortised cost recognised in the financial statements, the complexity of the estimation processes adopted by the Bank—which involved a detailed classification into homogeneous risk categories—as well as the significance of the discretionary elements inherent in the estimative nature of the recoverable amount (such as estimates of expected cash flows, the related recovery times and the value of any collateral, as well as possible recovery strategies), we considered that the classification of impaired loans to customers measured at amortised cost, categorised as ‘doubtful’ and ‘likely to default’, and their valuation should be regarded as a key audit matter in the audit of the financial statements of Banca Cambiano 1 884 S.p.A. as at 31 December 2025.

Audit procedures performed	As part of the audit work, the following main procedures, amongst others, were carried out: • understanding the internal regulations, processes and related organisational and procedural controls put in place by the Bank in relation to the methods for classifying and determining the recoverable amount of impaired loans to customers measured at amortised cost, classified as ‘suffering’ 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 in relation to the aforementioned processes; • a qualitative and performance analysis of impaired loans to customers measured at amortised cost, classified as non-performing and in probable default, through the calculation of appropriate qualitative and quantitative indicators in order to identify any matters of concern; • verification, for a sample of selected positions, of the classification and determination of the recoverable amount of impaired loans to customers measured at amortised cost and classified as ‘non-performing’ and ‘likely to default’, in accordance with the relevant regulatory framework and applicable accounting standards; • analysis of events occurring after the balance sheet date; • verification of the completeness and compliance of the disclosures provided in the financial statements with the requirements of the relevant regulatory framework and applicable accounting standards.

Classification of non-impaired loans to customers measured at amortised cost and classified in Stage 2

Description of the key audit matter---

As reported in the 'Credit Quality' section of the management report and in the quantitative information relating to credit risk in Part E — Information on risks and related hedging policies of the notes to the financial statements as at 31 December 2025, Banca Cambiano 1884 S.p.A.'s non-impaired loans to customers measured at amortised cost amount to a gross value of €2,717.43 million, to which portfolio adjustments of €19.96 million are associated, resulting in a net value of €2,697.47 million, reflecting a coverage ratio of 0.73%. Among these, non-impaired customer loan receivables classified as higher risk are essentially categorised in the so-called "second stage", amounting to a gross total of €327.91 million with a coverage ratio of 3.85%.

As part of its policies for managing loans to customers, the Bank has adopted processes and procedures for monitoring the performance of these relationships in accordance with sector regulations and internal provisions governing the rules for classification and transfer between the various risk categories. In the process of classifying non-impaired loans—including for the purposes of their subsequent valuation—the Bank has taken into account the particular context of macroeconomic uncertainty arising from the ongoing geopolitical tensions.

Disclosures regarding the aspects described above are set out in the management report and in the notes to the financial statements: Part A — Accounting Policies, Part B — Information on the balance sheet, Section 4 of assets, Part C — Information on the profit and loss account, Section 8, and Part E — Information on risks and related hedging policies.

In view of the materiality of the amount and the complexity of the classification process adopted by the Bank, and taking into account the circumstances relating to the uncertainties associated with the current macroeconomic environment, we considered that the classification of loans to customers classified as non-impaired in Stage 2, measured at amortised cost, represents a key aspect of the audit of the financial statements of Banca Cambiano 1884 S.p.A. as at 31 December 2025.

**Audit procedures
were carried out**

As part of the audit work, the following main procedures, amongst others, following main procedures were carried out:

- understanding the Bank's internal regulations, processes and the related organisational and procedural controls put in place in relation to the methods for classifying and monitoring the quality of non-impaired loans to customers measured at amortised cost, where necessary adjusted to take account of the effects arising from the context of macroeconomic uncertainty, in order to verify their compliance with the relevant regulatory framework and applicable accounting standards;
- verification of the implementation of the key controls identified in relation to the aforementioned processes;
- a qualitative and performance analysis of non-impaired loans to customers in order to identify any matters of concern;
- verification, for a sample of selected positions, of the classification of non-impaired loans to customers measured at amortised cost and classified in Stage 2, based on the relevant regulatory framework and applicable accounting standards;
- analysis of events occurring after the balance sheet date;
- verification of the completeness and compliance of the disclosures provided in the financial statements with the requirements of the relevant regulatory framework and applicable accounting standards.

Responsibilities of the Directors and the Board of Statutory Auditors for the annual financial statements

The Directors are responsible for the preparation of the annual financial statements so that they give a true and fair view in accordance with the IFRS accounting standards issued by the International Accounting Standards Board and adopted by the European Union, as well as the provisions issued in implementation of Article 43 of Legislative Decree No. 136/15 and, within the time limits laid down by law, for that part of the internal control which they deem necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or to unintentional errors or events.

The Directors are responsible for assessing the Bank's ability to continue as a going concern and, in the preparation of the annual financial statements, for the appropriate application of the going concern assumption, as well as for providing adequate disclosure in this regard. The Directors apply the going concern assumption in the preparation of the annual financial statements unless they have assessed that the conditions for the liquidation of the Bank or for the cessation of its operations exist, or that there are no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, in accordance with the law, the process of preparing the Bank's financial statements.

The audit firm's responsibility for the audit of the annual financial statements

Our objectives are to obtain reasonable assurance that the annual financial statements as a whole are free from material misstatement, whether due to fraud or unintentional errors or events, and to issue an audit report that includes our opinion. Reasonable assurance refers to a high level of assurance which, however, does not provide a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italy) will always detect a material misstatement, if one exists. Errors may arise from fraud or from unintentional acts or events and are considered material if they can reasonably be expected, individually or in the aggregate, to influence the economic decisions of users taken on the basis of the financial statements.

As part of the audit conducted in accordance with International Standards on Auditing (ISA Italy), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- we identified and assessed the risks of material misstatement in the financial statements, whether due to fraud or to unintentional acts or events; we designed and performed audit procedures in response to those risks; and we obtained sufficient and appropriate audit evidence on which to base our opinion. The risk of failing to detect a material misstatement due to fraud is higher than the risk of failing to detect a material misstatement arising from unintentional acts or events, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the circumvention of internal control.
- We have obtained an understanding of the internal control relevant to the audit in order to design audit procedures appropriate to the circumstances, and not to express an opinion on the effectiveness of the Bank's internal control.
- We have assessed the appropriateness of the accounting policies applied and the reasonableness of the accounting estimates made by the Directors, including the related disclosures.
- We have reached a conclusion on the appropriateness of the Directors' use of the going concern assumption and, based on the audit evidence obtained, on the possible existence of a material uncertainty regarding events or circumstances that may cast significant doubt on the Bank's ability to continue as a going concern. Where significant uncertainty exists, we are required to draw attention in the audit report to the relevant disclosures in the financial statements or, if such disclosures are inadequate, to reflect this circumstance in the formulation of our opinion. Our conclusions are based on the audit evidence obtained 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 financial statements as a whole, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that provides a fair presentation.

We have communicated to those charged with governance, identified at an appropriate level as required by ISA Italia, amongst other matters, the planned scope and timing of the audit and any significant findings, including any significant weaknesses in internal control identified during the audit.

We also provided those charged with governance with a statement confirming that we have complied with the ethical and independence standards and principles applicable under Italian law, and we disclosed to them any circumstances that could reasonably be expected to affect our independence and, where applicable, the actions taken to eliminate the related risks or the safeguards applied.

Among the matters communicated to those charged with governance, we have identified those that were most significant in the context of the audit of the financial statements for the financial year under review, which therefore constituted the key audit matters. We have described these matters in the auditor's report.

Further information disclosed pursuant to Article 10 of Regulation (EU) No 537/2014

On 12 May 2020, the Shareholders' Meeting of Banca Cambiano 1884 S.p.A. appointed us to carry out the statutory audit of the separate and consolidated financial statements for the financial years from 31 December 2020 to 31 December 2028.

We confirm that we have not provided any services other than statutory audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014, and that we have remained independent of the Bank in carrying out the statutory audit.

We confirm that the opinion on the separate financial statements expressed in this report is consistent with that set out in the supplementary report addressed to the Board of Statutory Auditors, in its capacity as the Internal Control and Audit Committee, prepared in accordance with Article 1(1) of the aforementioned Regulation.

REPORT ON OTHER LEGAL AND REGULATORY PROVISIONS

Opinions and declaration pursuant to Article 14, paragraph 2, letters e), e-bis) and e-ter), of Legislative Decree 39/10

The Directors of Banca Cambiano 1884 S.p.A. are responsible for preparing the management report of Banca Cambiano 1884 S.p.A. as at 31 December 2025, including its consistency with the relevant financial statements and its compliance with statutory requirements.

We have carried out the procedures set out in Auditing Standard (SA Italy) No. 720B in order to:

express an opinion on the consistency of the management report with the annual financial statements; express an opinion on the management report's compliance with statutory requirements; and issue a statement on any material misstatements in the management report.

In our opinion, the management report is consistent with the financial statements of Banca Cambiano 1884 S.p.A. as at 31 December 2025.

Furthermore, in our opinion, the management report has been drawn up in accordance with the relevant legislation.

With regard to the statement referred to in Article 14, paragraph 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 in the course of the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.



Antonio Sportillo
Socio

Florence, 11 May 2026

REPORT OF THE BOARD OF STATUTORY AUDITORS

*To the general meeting of
shareholders of Banca
Cambiano 1884 S.p.A.*

Dear Shareholders,

the Board of Statutory Auditors of Banca Cambiano 1884 S.p.A. (hereinafter also referred to as the “Company” or the “Bank”), in accordance with Article 2429(2) of the Civil Code, and with reference to the functions assigned to it under Article 19 of Legislative Decree No. 39/2010, hereby submits the following Report to provide an account of the supervisory and control activities carried out during the 2025 financial year in accordance with current legislation.

The Board of Statutory Auditors in office at the date of this Report was appointed by the Shareholders’ Meeting of 16 December 2025, following the guidelines of the Bank of Italy described below, and its term of office will end at the Shareholders’ Meeting convened to approve the financial statements as at 31 December 2027.

The Board, in its current composition, carried out its supervisory activities during the period between the date of its appointment and the date of approval of the draft financial statements by the Board of Directors, also taking into account the work carried out by the Board in its previous composition during the period from 1 January 2025 to 16 December 2025.

It is noted that the Company has exercised the option provided for in the Articles of Association to approve the financial statements within the extended period of 180 days from the end of the financial year.

* * *

1. Supervisory activities carried out in the performance of its duties

The Board of Statutory Auditors carried out the necessary checks on compliance with the law and the Articles of Association and on adherence to the principles of sound administration; it also performed the other audit activities which, pursuant to further specific provisions of the Civil Code and Legislative Decrees No. 385/1993 (Consolidated Banking Act or T.U.B.) and No. 39/2010, are expressly reserved for the competence of the statutory auditors.

However, the Board’s remit did not include the statutory audit of the accounts pursuant to Article 2396-*novies* of the Civil Code and Articles 14 et seq. of Legislative Decree 39/2010, a function entrusted to the audit firm Deloitte C Touche S.p.A.

Likewise excluded is the analytical review of the substance of the financial statements, which the law requires to be entrusted to the body responsible for the statutory audit of the accounts.

The Board acknowledges that, on this date, the aforementioned audit firm has issued its reports (i) on the annual financial statements of Banca Cambiano 1884 S.p.A. and (ii) on the consolidated financial statements of the Cambiano Banking Group pursuant to Articles 14 and 16 of Legislative Decree No. 39 of 27 January 2010, certifying that the documents comply with international accounting standards and with the provisions issued in implementation of Article 9 of Legislative Decree No. 38 of 2005 and Article 43 of Legislative Decree No. 136 of 2015.

The supervisory activities were carried out in accordance with the code of conduct for the board of statutory auditors recommended by the National Council of Chartered Accountants and Accounting Experts, whilst also taking into account the Prudential Supervisory Provisions for banks issued by the Bank of Italy.

Supervision of compliance with the law and the Articles of Association

During the reporting period, the Board of Statutory Auditors monitored the compliance of the Company’s actions with the law and the Articles of Association. Based on the documents and information in its possession, it is considered that there are no material irregularities or omissions such as to require bringing them to the attention of the General Meeting.

The Board of Statutory Auditors monitored the correct application of Article 2391-*bis* of the Civil Code and Article 136 of the Consolidated Banking Act.

It is noted that the Notes to the Financial Statements set out information relating to transactions with related parties as required by Article 2427, point 22-*bis*, of the Civil Code, and that details have been provided of relationships with

subsidiaries, associated companies, parent companies and entities subject to the control of the latter, in accordance with Article 2428 of the Civil Code.

Inspections and supervisory measures

From 24 February to 13 June 2025, the Bank was subject to wide-ranging inspections, including anti-money laundering controls, by the Bank of Italy, which concluded with an overall assessment of 'partially unfavourable', essentially attributable to shortcomings identified in governance processes and internal controls; At the same time, the related administrative sanctioning proceedings were initiated, in response to which the Bank submitted its defence on 21 January 2026. Partly as a result of the findings of these inspections, on 12 November the General Manager tendered his resignation and the Board of Directors assigned the relevant powers to the Acting Deputy General Manager.

Furthermore, the Supervisory Authority, by Order of 5 November 2025, pursuant to Articles 53-bis, paragraph 1, letter b) and 67-ter, paragraph 1(b) of the Consolidated Banking Act (TUB), required the Board of Directors to convene a General Meeting of the Bank's shareholders, by 20 December 2025, with the agenda including the complete replacement of the Board of Statutory Auditors and one-third of the members of the Board of Directors, and to include on the agenda of the meeting to approve the 2025 financial statements the renewal of a further one-third of the members of the Board of Directors, including the Chairman.

Following the resignation of three members of the Board of Directors and the entire Board of Statutory Auditors, with effect from the date of the General Meeting itself, the General Meeting of 16 December 2025 appointed three new directors and the entire Board of Statutory Auditors.

The Board of Statutory Auditors obtained and examined the following documentation relating to the inspections carried out by the Bank of Italy at the Cambiano Banking Group:

- the Inspection Report, in which 15 findings were set out, with an overall assessment of 'partially unfavourable';
- the Comments made in relation to the individual inspection findings and the Remedial Action Plan, approved by the Board of Directors at its meeting on 6 March 2026;
- the Written Observations and Counter-Arguments relating to the administrative sanction proceedings initiated pursuant to Article 145 of Legislative Decree No. 385/1993 (TUB), examined and approved by the Board of Directors on 21 January 2026 and forwarded to the Bank of Italy on the same date;
- the periodic reports and updates on the progress of the Action Plan.

Oversight of compliance with the principles of sound administration

With regard to the management activities carried out by the Directors, based on the information and documents in its possession, the Board of Statutory Auditors is not aware of any acts or actions undertaken by the Directors that are contrary to the law or the Articles of Association, or that are manifestly imprudent or reckless, constitute a conflict of interest with the Bank, or are such as to compromise the integrity of its assets.

The Board is not aware of the existence of any atypical and/or unusual transactions.

Even with regard to intra-group transactions or those with related parties, on which the Notes to the Financial Statements provide adequate and comprehensive information, based on the analysis carried out and on the documents and information in its possession, the Board can reasonably state that they do not contravene the law or the Articles of Association, nor are they manifestly imprudent or reckless, nor do they contravene the resolutions passed by the General Meeting, nor are they such as to compromise the integrity of the Bank's assets.

Oversight of the adequacy of the organisational structure

During the year, the Board of Statutory Auditors has kept abreast of and monitored, with due care and within the scope of its remit, the main developments in the organisation and organisational methodologies, and has monitored the adequacy and functioning of the Bank's organisational structure, including through the collection of data and information from the heads of the various corporate functions.

Furthermore, the Board of Statutory Auditors held meetings with senior management and the heads of the Bank's various departments, which enabled it to obtain, across the different sectors, necessary and useful information regarding the organisation and the administrative and accounting system.

The Group Regulations and the General Regulations define the overall organisational structure of the Group and the Bank, the areas of competence and the responsibilities assigned to the various corporate functions, thereby constituting the regulatory framework of reference. In this regard, the Board has no specific observations to report.

In this regard, the Board notes that, in accordance with the remedial plan drawn up following the 2025 inspection, the Bank is also currently implementing an internal reorganisation process aimed at further improving the effectiveness of business processes.

Remuneration and Incentive Policies

The Board of Statutory Auditors has overseen the process of drawing up remuneration policies for 2026 without identifying any issues.

Oversight of the Adequacy and Functioning of the Administrative and Accounting System

The Board has monitored the administrative and accounting system and the disclosures regarding the company's financial position and results, which are found to be complete and accurate. In this regard, the Board has no specific observations to report.

Attendance at meetings of the corporate bodies and other activities

In order to carry out the duties assigned to it, the Board of Statutory Auditors, during the 2025 financial year, has:

- attended 2 Shareholders' Meetings;
- attended 31 meetings of the Board of Directors;
- attended 11 meetings of the Risk Committee;
- carried out one inspection at the Bank's branches;
- monitored the completeness, adequacy, effectiveness and reliability of the internal control system and the Risk Assessment Framework (RAF);
- monitored compliance with regulations on anti-money laundering, banking transparency, the reporting of suspicious transactions in relation to so-called 'market abuse', customer complaints, customer profiling and customer due diligence.

The activities carried out by the Board of Statutory Auditors covered the financial year 2025; the meetings referred to in Article 2396-octies of the Civil Code were held regularly; 27 minutes of these meetings were drawn up and duly signed for approval.

Relations with the audit firm and with the supervisory bodies of subsidiaries

Pursuant to Article 2409-septies of the Civil Code, the Board met with the firm appointed to carry out the statutory audit – Deloitte C Touche S.p.A. – for the mutual exchange of information; no significant data or information emerged from these meetings that needs to be highlighted in this report.

Pursuant to Article 2396-sexies, paragraph 2, of the Civil Code, the Board exchanged information with the corresponding bodies of the subsidiaries Cambiano Leasing S.p.A. and Immobiliare 1884 S.r.l., and with the associate C.H. S.p.A., which was included in the scope of consolidation with effect from 31 December 2025. No issues requiring mention in this report emerged from these meetings.

Verification and reporting of reprehensible acts

During the 2025 financial year, in the course of the supervisory activities described above, no complaints were received pursuant to Article 2396-ter of the Civil Code, no complaints were lodged pursuant to Article 2396-quater of the Civil Code, nor did any further significant events arise that would warrant mention in this report.

Complaints and grievances

For the sake of completeness, we note that all 71 complaints received by the Bank from customers during 2025 were duly examined by the Complaints Office. We also note that the 7 petitions received by the Bank of Italy were dealt with. No risk factors emerged that would necessitate specific organisational measures.

Extraordinary corporate transactions

During the period under review, the company was not involved in any transactions of an extraordinary nature.

Relations with internal bodies and heads of functions

In carrying out its supervisory and control activities, the Board held meetings with the internal control functions and the external auditors, which enabled it to obtain the necessary and useful information regarding the internal control system in order to assess its adequacy in relation to the company's needs, as well as its operational reliability.

The Board of Statutory Auditors monitored the adequacy of the internal control system and verified that the Internal Audit function had operated in accordance with its specific remit. The Compliance, Risk Management and Anti-Money Laundering functions carried out their activities regularly and reported to the Board of Directors and the Board of Statutory Auditors in accordance with the current provisions issued by the supervisory authorities.

Internal Control and Audit Committee

Pursuant to Article 19 of Legislative Decree No. 39/2010, the Board of Statutory Auditors confirms that it has supervised: a) the financial reporting process; b) the effectiveness of the internal control and risk management systems; c) the statutory audit of the annual and consolidated financial statements; d) the independence of the statutory audit firm.

The total fees for non-audit services for the year 2025, paid to the lead auditor and its network by the Cambiano Banking Group, amounted to €37,911 (net of VAT, where applicable, the Consob supervisory fee and out-of-pocket expenses).

Internal whistleblowing system

Legislative Decree No. 24 of 10 March 2023 transposed Directive (EU) 2019/1937 on whistleblowing into Italian law. During the 2025 financial year, a report was received via the channel provided for in Article 4(3) of Legislative Decree 24/2023. The relevant departments handled the report in accordance with the regulations.

2. Results for the financial year

The Board of Statutory Auditors examined the draft financial statements for the financial year ended 31 December 2025 and the management report, which were made available to the Board by the Board of Directors in accordance with the law.

As the Board of Statutory Auditors is not responsible for the statutory audit of the financial statements, the Board carried out a review of the directors' compliance with the procedural rules governing the preparation, filing and publication of the financial statements, as well as monitoring the general presentation of the draft financial statements, their composition, structure, the valuation of the company's assets and the management report, in accordance with the provisions of the law, those of the supervisory authorities and the International Accounting Standards (IAS/IFRS).

The draft financial statements were submitted for review to Deloitte C Touche S.p.A., the firm appointed to carry out the statutory audit, which, on 11 May 2026, pursuant to Articles 14 and 16 of Legislative Decree No. 39/2010, issued its professional opinion on the reliability of the financial statements in question without any qualifications or exceptions.

The notes to the financial statements contain further information deemed useful or required by specific legal provisions to provide a more complete picture of the company's affairs and to facilitate a better understanding of the financial statement data.

The Board of Statutory Auditors also met with the firm appointed to carry out the statutory audit, thereby taking note of the work carried out by that firm and exchanging information in accordance with Article 2409-septies of the 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 formulate the resulting observations.

The Board reviewed the Bank's draft financial statements for the year ended 31 December 2025, which show a profit of €7.03 million, compared with a profit of approximately €14.00 million as at 31 December 2024 (-49.80%).

This result is primarily attributable to:

- a reduction in net interest income (-4.0 million euros) linked to the fall in benchmark market interest rates;
- an increase in total net value adjustments on portfolio positions, amounting to €33.1 million (€25.4 million in 2024).

The Board also reviewed the Group's consolidated financial statements as at 31 December 2025, which show a profit of 8.97 million euros, comprising 8.25 million euros of profit attributable to the parent company and 721 thousand euros of profit attributable to minority interests.

The financial statements confirm the company's financial strength, showing a Total Capital Ratio of 18.92% for the year 2025 and a Common Equity Tier 1 (CET1) ratio of 13.64%, which exceeds the minimum requirement set by the supervisory authorities.

The draft annual financial statements as at 31 December 2025 have been prepared in accordance with the IAS/IFRS international accounting standards issued by the International Accounting Standards Board (IASB) and endorsed by the

European Commission, as well as in accordance with the provisions of Bank of Italy Circular No. 262 of 22 December 2005 (and subsequent updates) concerning 'Bank financial statements: formats and rules for preparation'.

3. Comments and proposals regarding the financial statements and their approval – Concluding remarks

Following the completion of the specific audits carried out and in view of all the above, having taken note of the audit reports by Deloitte C Touche S.p.A., which contain no qualifications or requests for additional disclosure and which confirm that the annual and consolidated financial statements of the Cambiano Banking Group as at 31 December 2025 have been prepared in accordance with the rules and criteria governing their preparation, and give a true and fair view of the economic, equity and financial position of the Company and the Group, the Board of Statutory Auditors considers the management report to be consistent with the Bank's financial statements as at 31 December 2025 and to set out the performance of the business, highlighting current developments and future prospects. The significance of credit risk, liquidity risk and market risk has been adequately highlighted. The notes to the financial statements set out the valuation criteria adopted and provide all the necessary information required by current legislation, including information on credit, market, liquidity and operational risks.

With regard to going concern, the Board of Statutory Auditors concurs with the considerations regarding the reasonable expectation that the Group will continue to operate as a going concern for the foreseeable future, thereby confirming the correct application of the going concern assumption in the preparation of the financial statements for the 2025 financial year.

The Board of Statutory Auditors nevertheless draws the attention of the General Meeting to the following aspects:

- with regard to the Remedial Action Plan: the correct and timely completion of the Plan's implementation following the findings of the Bank of Italy's inspection is a priority for the Bank, with particular reference to credit risk, ICT and anti-money laundering controls;
- the alignment of governance aspects is a key enabler for achieving an effective organisational structure;
- the implementation of an appropriate capital increase by a bank or a financial institution of high standing is a prerequisite for supporting the business's recovery.

In conclusion, the Board of Statutory Auditors expresses a favourable opinion, within the scope of its remit, on the approval of the financial statements, the proposed allocation of net profit for the 2025 financial year and the distribution of the dividend, which will be brought before the General Meeting and which is deemed appropriate to the Company's financial and capital position and consistent with the prudent policy traditionally pursued by the Bank to ensure adequate capital levels.

* * *

The Board of Statutory Auditors extends its thanks to the Bank's departments, and in particular to the control functions, for their cooperation in the performance of its institutional duties.

Florence, 11 May 2026

THE BOARD OF STATUTORY AUDITORS

<i>Prof. Stefano Pozzoli</i>	CHAIR
<i>Prof. Elena Gori</i>	STANDING AUDITOR
<i>Dr Alessandro Torcini</i>	STANDING AUDITOR

ATTACHMENTS

Reconciliation between the reclassified balance sheet and income statement and the financial statements

The reconciliation statements used to prepare the reclassified balance sheet and profit and loss account are set out below.

BALANCE SHEET

Assets		31/12/2025	31/12/2024
Cash		14,7G7	15,241
10. Cash and cash equivalents		136,364	131,136
less: Demand deposits with banks		-121,567	-115,895
Financial assets		850,155	G30,614
a) financial assets held for trading		77,362	98,293
20. a) Financial assets measured at fair value through profit or loss a) held for trading		74,243	92,055
plus: Other assets (tax credits) held for trading reclassified from Other Assets – Item 120		3,119	6,238
20. b) b) financial assets designated at fair value		0	0
c) other financial assets required to be measured at fair value		37,695	39,828
20. c) Financial assets measured at fair value through profit or loss c) other financial assets required to be measured at fair value		151,953	135,407
less: Loans required to be measured at fair value		-114,258	-95,579
d) Financial assets measured at fair value through profit or loss comprehensive income		81,862	173,170
30. Financial assets measured at fair value through other comprehensive income		81,862	173,170
e) Financial assets measured at amortised cost		653,236	619,623
- Banks		0	2,737
plus: Debt securities reclassified from Loans to banks – item 40 to		0	2,737
- Customers		653,236	616,886
plus: Debt securities reclassified from Loans and advances to customers – item 40 b		653,236	616,886
Loans		3,202,8G4	3,254,662
a) loans to banks		197,821	264,169
40 a) Financial assets measured at amortised cost a) loans and advances to banks		76,254	151,012
less: Debt securities		0	-2,737
plus: Loans to banks reclassified from Cash and cash equivalents – Item 10		121,567	115,895
b) loans to customers		2,814,496	2,810,188
40 b) Financial assets measured at amortised cost b) loans and advances to customers		3,467,732	3,427,074
less: Debt securities		-653,236	-616,886
c) Loans required to be measured at fair value		114,258	95,579
plus: Loans to customers reclassified from other financial assets required to be measured at fair value – Item 20 c)		114,258	95,579
d) Other assets		76,318	84,726
plus: Tax credit financing to the CA reclassified from Other Assets – Item 120		76,318	84,726
Equity investments		47,308	48,615
70. Equity investments		47,308	48,615
Tangible assets		62,2G4	64,100
80. Tangible assets		62,294	64,100
Intangible assets		5,420	5,0G0
90. Intangible assets		5,420	5,090
Tax assets		1G,116	14,845
100. Tax assets		19,116	14,845
Non-current assets and disposal groups		0	0
110. Non-current assets and disposal groups		0	0
Other assets		66,47G	50,700
120. Other assets		145,917	141,663
less: Other assets (tax receivables) held for trading		-3,119	-6,238
less: Tax credit financing to the CA		-76,318	-84,726
TOTAL ASSETS		4,268,462	4,384,166

Liabilities and equity items		31 December 2025	31/12/2024
Amounts owed to banks and institutional counterparties		211,232	267,631
	a) liabilities to banks	178,050	71,858
10. a)	Financial liabilities measured at amortised cost a) bank borrowings	178,050	71,858
	b) payables to institutional counterparties	33,182	195,774
	plus: Liabilities to institutional counterparties arising from liabilities to customers – Item 10 b)	33,182	195,774
Direct deposits		3,656,853	3,726,703
	a) amounts owed to customers	3,574,294	3,613,921
10. b)	Financial liabilities measured at amortised cost b) amounts owed to customers	3,607,475	3,809,694
	less: Amounts owed to institutional counterparties	-33,182	-195,774
	b) securities in issue	85,560	115,782
10. c)	Financial liabilities measured at amortised cost c) securities in issue	85,560	115,782
Financial liabilities held for trading		4,340	420
20.	Financial liabilities held for trading	4,340	420
Tax liabilities		3,336	31
60.	Tax liabilities	3,336	31
Liabilities associated with assets held for disposal		0	0
70.	Liabilities associated with assets held for disposal	0	0
Other liabilities		63,680	63,243
80.	Other liabilities	93,680	93,243
Provisions		8,660	8,075
90.	Staff severance pay	2,938	3,131
100	Provisions for risks and charges:	5,752	4,944
TOTAL LIABILITIES		3,681,131	4,066,104
Equity		287,331	285,062
110.	Valuation reserves	694	-1,064
120.	Redeemable shares	0	0
130.	Equity instruments	40,000	40,000
140.	Reserves	-13,997	-21,482
150.	Share premium	803	803
160.	Share capital	252,800	252,800
170.	Treasury shares (-)	0	0
180.	Profit/Loss for the year	7,030	14,005
TOTAL LIABILITIES AND EQUITY		4,268,462	4,384,166

INCOME STATEMENT

Income Statement Items		31/12/2025	31/12/2024
10.	Interest income and similar income	137,172	173,288
20.	Interest expense and similar charges	-62,036	-94,114
30.	Net interest income	75,136	79,175
70.	Dividends and similar income	909	544
Net interest income		76,045	79,719
40.	Commission income	37,533	36,524
50.	Commission expense	-6,942	-5,922
	plus Commission expense recoveries reclassified from Other income and expenses - Item 200	255	331
Net commission income		30,846	30,933
	Net result from treasury operations:	11,865	7,619
80.	Net trading profit	7,555	9,499
90.	Net result from hedging activities	0	0
100. a)	Gains (losses) on disposal or repurchase of a) financial assets measured at cost amortised	1,699	705
	less gains/losses on the disposal of NPL loans	-58	569
100. b)	Gains (losses) on the disposal or repurchase of b) financial assets measured at fair value through other comprehensive income	498	965
100. c)	Gains (losses) on the disposal or repurchase of c) financial liabilities	13	20
110. a)	a) financial assets and liabilities designated at fair value	0	0
110. b)	b) other financial assets required to be measured at fair value	2,064	-4,278
	less net result on loans mandatorily measured at fair value	94	137
	Other net operating income/expenses	453	-11
200.	Other operating expenses/income	8,233	7,969
	less Recovery of commission expense	-255	-331
	less Recoveries of staff costs	-326	-266
	less Recoveries of other administrative expenses	-7,200	-7,383
	less Badwill	0	0
	less Legal defence costs covered by provisions for risks and charges	0	0
Operating income		116,210	118,260

Income Statement Items		31 December 2025	31/12/2024
	a) staff costs	-36,070	-34,583
160. a)	Administrative expenses a) staff costs	-36,396	-34,848
	- Recoveries of staff costs reclassified from Other income and expenses - Item 200	326	266
	b) other administrative expenses	-33,752	-30,948
160. b)	Administrative expenses b) other administrative expenses	-41,299	-42,302
	- Recoveries of other administrative expenses reclassified from Other income and expenses - Item 200	7,200	7,383
	- Charges relating to the banking system (contributions to the DGS and FITD Funds) reclassified to a separate item	348	3,971
	Net write-downs/write-backs on tangible and intangible assets	-6,714	-7,175
180.	Net write-downs/write-backs on tangible assets	-5,177	-5,168
190.	Net impairment losses/reversals on intangible assets	-2,001	-2,472
	less Amortisation of intangible assets recognised following the PPA	464	465
Operating expenses		-76,536	-72,705
Operating profit		42,673	45,555
	Net value adjustments on loans to customers	-33,368	-26,791
130. a)	Net credit risk impairment losses/reversals on a) financial assets measured at amortised cost	-33,156	-25,632
	less credit risk adjustments/reversals on debt securities at amortised cost amortised	-2	-57
	plus gains/losses on the disposal of NPLs reclassified from item 100(a)	58	-569
	plus net result on loans mandatorily reclassified at fair value from item 110 b)	-94	-137
140.	Gains/losses arising from contractual amendments excluding derecognitions	-174	-395
	Net value adjustments on securities and other financial assets	29	284
130. b)	Net credit risk impairment losses/reversals on b) financial assets measured at fair value through other comprehensive income	27	227
	plus credit risk adjustments/reversals on debt securities and loans to banks at amortised cost	2	57
	Net provisions for risks and charges: guarantees and commitments	-391	-286
170. a)	Net provisions for risks and charges: a) guarantees and commitments	-391	-286
Net credit impairment losses		-33,731	-26,763
	Net provisions for risks and charges: other	-541	1,826
170. b)	Net provisions for risks and charges b) other net provisions	-541	1,826
	less: Drawdowns on provisions for risks set aside in previous financial years to cover arising from legal proceedings reclassified from 'Other income and expenses' – item 200	0	0
	Gains (Losses) on equity investments	767	442
220.	Gains (Losses) on investments	767	442
	Net result of fair value measurement of tangible and intangible assets	0	0
230.	Net result of the fair value measurement of tangible and intangible assets	0	0
	Gains (Losses) on disposal of investments	-1	-234
250.	Gains (losses) on disposal of investments	-1	-234
Charges relating to the banking system (contributions to the DGS and FITD funds)		-348	-3,671
	plus Charges relating to the banking system (contributions to the DGS and FITD Funds) reclassified from Administrative expenses b) other administrative expenses - Item 160 b)	-348	-3,971
Gross profit from ordinary operations		8,820	16,826
	Income tax for the year on current operations	-1,326	-2,355
270.	Income tax for the year on continuing operations	-1,326	-2,355
Net profit from current operations		7,494	14,470
	PPA	0	0
	Goodwill impairment / Amortisation of intangible assets	-464	-465
240.	Value adjustments to goodwill	0	0
	less Amortisation of intangible assets recognised following the PPA	-464	-465
	Profit (Loss) from discontinued operations, net of tax	0	0
290.	Profit (Loss) from discontinued operations, net of tax	0	0
Profit (Loss) for the year		7,030	14,005

Financial statements of subsidiaries

Cambiano Leasing S.p.A.

Balance Sheet

	Assets	2025	2024
10.	Cash and cash equivalents	280,616	177,327
20.	Financial assets measured at fair value through profit or loss		
	<i>a) financial assets held for trading</i>		
	<i>b) financial assets designated at fair value</i>		
	<i>c) other financial assets required to be measured at fair value</i>		
30.	Financial assets measured at fair value through other comprehensive income	18,402	18,402
40.	Financial assets measured at amortised cost	301,128,457	298,627,762
	<i>a) loans and advances to banks</i>	1CS.150	10S.C72
	<i>b) loans to financial companies</i>	422,108	1.COS.S08
	<i>c) loans and advances to customers</i>	300,537.155	2SC.S08.182
50.	Hedging derivatives		
60.	Value adjustment of financial assets subject to generic hedging (+/-)		
70.	Equity investments		
80.	Tangible assets	3,287,866	3,407,519
90.	Intangible assets		
	of which:		
	<i>- goodwill</i>		
100.	Tax assets	753,405	840,240
	<i>a) current</i>	708.S85	782.75C
	<i>b) prepaid</i>	44,420	57,484
110.	Non-current assets and disposal groups		
120.	Other assets	2,276,495	769,480
	Total assets	307,745,241	303,840,730

	Liabilities and equity items	2025	2024
10.	Financial liabilities measured at amortised cost	270,158,692	269,707,830
	<i>a) payables</i>	270,158.C52	2CS.707.830
	<i>b) securities in issue</i>		
20.	Financial liabilities held for trading		
30.	Financial liabilities designated at fair value		
40.	Hedging derivatives		
50.	Value adjustment on financial liabilities subject to general hedging (+/-)		
60.	Tax liabilities	1,300,460	1,071,524
	<i>a) current</i>	S3C.S3C	708,000
	<i>b) deferred</i>	3C3,524	3C3,524
70.	Liabilities associated with assets held for disposal		
80.	Other liabilities	9,050,113	7,629,766
90.	Staff severance pay	220,164	211,086
100.	Provisions for risks and charges	146,172	113,773
	<i>a) commitments and guarantees given</i>	11.C84	S.458
	<i>b) pension and similar obligations</i>		
	<i>c) other provisions for risks and charges</i>	134,488	104,275
110.	Capital	10,000,000	10,000,000
120.	Treasury shares (-)		
130.	Equity instruments		
140.	Share premium		
150.	Reserves	15,106,751	13,708,985
160.	Valuation reserves		
170.	Profit (Loss) for the year (+/-)	1,762,889	1,397,766
	Total liabilities and equity	307,745,241	303,840,730

Profit and Loss Account

	Items	2025	2024
10.	Interest income and similar income	15,086,594	19,016,495
	<i>of which interest income calculated using the effective interest method</i>		
20.	Interest expense and similar charges	(9,434,009)	(13,710,753)
30.	Net interest income	5,652,585	5,305,742
40.	Commission income	77,210	77,354
50.	Commission expense	(203,305)	(193,227)
60.	Net commission income	(126.0G5)	(115,873)
70.	Dividends and similar income	32	115
80.	Net trading profit		
90.	Net result from hedging activities		
100.	Gain/loss on disposal or repurchase of:		
	<i>a) financial assets measured at amortised cost</i>		
	<i>b) financial assets measured at fair value through</i>		
	<i>c) financial liabilities</i>		
110.	Net result from other financial assets and liabilities measured at fair value with impact on the income statement		
	<i>a) financial assets and liabilities designated at fair value</i>		
	<i>b) other financial assets that must be measured at fair value</i>		
120.	Net interest and other banking income	5,526,522	5.18G.684
130.	Net credit risk impairment losses/reversals of:	(862,406)	(705,149)
	<i>a) financial assets measured at amortised cost</i>	(8C2.40C)	(705,145)
	<i>b) financial assets measured at fair value through comprehensive income</i>		
140.	Gains/losses arising from contract modifications without derecognition		
150.	NET INCOME FROM FINANCIAL OPERATIONS	4,664,116	4,484,835
160.	Administrative expenses:	(2,401,384)	(2,367,827)
	<i>a) staff costs</i>	(1,212,451)	(1,207,013)
	<i>b) other administrative expenses</i>	(1,188.533)	(1.1C0.814)
170.	Net provisions for risks and charges	(32,399)	(30,060)
	<i>a) commitments and guarantees given</i>	(2.18C)	(5.355)
	<i>b) other net provisions</i>	(30,213)	(24.CC5)
180.	Net write-downs/write-backs on tangible assets	(72,364)	(59,457)
190.	Net write-downs/write-backs on intangible assets		(75,000)
200.	Other operating income and expenses	606,120	144,530
210	OPERATING COSTS	(1.G00.027)	(2,387,814)
220.	Gains (Losses) on investments		
230.	Net result of fair value measurement of tangible and intangible assets	(51,200)	
240.	Value adjustments to goodwill		
250.	Gains (losses) on disposal of investments		
260.	Profit (Loss) from current operations before tax	2.712.88G	2.0G7.021
270.	Income tax for the year on current operations	(950,000)	(699,255)
280.	Profit (Loss) from current operations, net of tax	1,762.88G	1.3G7,766
290.	Profit (Loss) from discontinued operations, net of tax		
300.	Profit (Loss) for the year	1.762.88G	1.3G7,766

Immobiliare 1884 S.r.l.

	31 December 2025	31/12/2024
Balance sheet		
Assets		
B) Fixed assets		
I – Intangible fixed assets		
7) Other		
Total intangible fixed assets		
II – Tangible fixed assets		
1) Land and buildings	9,431,043	9,713,901
2) plant and machinery	861,109	879,629
3) industrial and commercial equipment	87,023	108,553
4) other assets	42,677	55,971
5) assets under construction and advance payments	10,421,852	10,758,054
Total tangible fixed assets	9,431,043	9,713,901
III - Financial fixed assets		
2) receivables		
d-bis) receivables		
due within the next financial year	2,594,800	2,835,670
due beyond the next financial year	108	108
Total receivables from others	2,594,908	2,835,778
Total receivables	2,594,908	2,835,778
Total financial fixed assets	2,594,908	2,835,778
Total fixed assets (B)	13,016,760	13,5G3,832
C) Current assets		
I – Inventories		
4) finished goods and merchandise	14,750,820	16,440,302
Total inventories	14,750,820	16,440,302
II – Receivables		
1) from customers		
due within the next financial year	16,144	16,154
Total trade receivables	16,144	16,154
5-bis) tax receivables		
due within the next financial year	626,133	848,905
Total tax receivables	626,133	848,905
5-quater) due from others		
due within the next financial year	57,346	129,946
Total receivables from others	57,346	129,946
Total receivables	699,623	995,005
IV – Cash and cash equivalents		
1) bank and postal deposits	961,296	18,127
Total cash and cash equivalents	961,296	18,127
Total current assets (C)	16,411.73G	17,453,434
D) Accruals and deferrals	3,547	2,748
Total assets	2G,432,046	31,050,014
Liabilities		
A) Shareholders' equity		
I – Share capital	13,500,000	13,500,000
IV – Statutory reserve	21,011	21,011
VI – Other reserves, shown separately		
Extraordinary reserve	32,298	131,844
Various other reserves	1	1
Total other reserves	32,299	131,845
IX – Profit (loss) for the year	18,589	(99,546)
Total equity	13,571.8GG	13,553,310
D) Liabilities		
4) bank borrowings		
due within the next financial year	15,104,908	16,440,452
due beyond the next financial year	581,489	639,184
Total bank borrowings	15,686,397	17,079,636
6) advance payments		
due within the following financial year		50,000
Total advance payments		50,000
7) trade payables		
payable within the next financial year	117,976	171,589
Total trade payables	117,976	171,589
12) tax liabilities		
due within the next financial year	23,663	16,064

	31/12/2025	31/12/2024
Total tax liabilities	23,663	16,064
13) Liabilities to pension and social security institutions		
due within the next financial year	2,432	8
Total liabilities to pension and social security institutions	2,432	8
14) Other liabilities		
due within the next financial year	7,165	6,496
Total other payables	7,165	6,496
Total payables	15,837,633	17,323.7G3
E) Accruals and deferrals	22,514	172.G11
Total liabilities	2G.432.046	31,050,014

	31 December 2025	31/12/2024
Profit and loss account		
A) Value of production		
1) Revenue from sales and services	3,753,518	666,637
5) Other revenue and income		
other	2,889	4,852
Total other revenue and income	2,889	4,852
Total value of production	3,756,407	671.48G
B) Production costs		
6) for raw materials, ancillary materials, consumables and goods	743,644	814,497
7) for services	155,392	143,170
9) staff costs		
b) social security contributions		
Total staff costs		
10) depreciation, amortisation and write-downs		
a) amortisation of intangible assets		947
b) depreciation of tangible fixed assets	407,948	381,532
Total depreciation and write-downs	407,948	382,479
11) Changes in stocks of raw materials, ancillary materials, consumables and goods	1,689,482	(1,080,156)
14) Other operating expenses	145,364	127,378
Total production costs	3,141,830	387,368
Difference between value and production costs (A – B)	614,577	284,121
C) Financial income and expenses		
16) other financial income		
d) income other than the above		
Other	90,000	2
Total income other than the above	90,000	2
Total other financial income	90,000	2
17) Interest and other financial expenses		
Other	368,477	371,411
Total interest and other financial expenses	368,477	371,411
Total financial income and expenses (15 + 16 - 17 + - 17-bis)	(278,477)	(371,409)
D) Value adjustments to financial assets and liabilities		
1G) Write-downs		
b) of financial fixed assets other than equity investments	300,000	
Total write-downs	300,000	
Total value adjustments to financial assets and liabilities (18 - 19)	(300,000)	
Profit before tax (A - B + - C + - D)	36,100	(87,288)
20) Income tax for the year: current, deferred and prepaid		
current tax	17,511	12,258
Total income tax for the year (current, deferred and prepaid)	17,511	12,258
21) Profit (loss) for the year	18,589	(99,546)

C.H. S.p.A.

	31 December 2025	31 December 2024
Balance sheet		
Assets		
B) Fixed assets		
I – Intangible fixed assets		
4) Concessions, licences, trade marks and similar rights	31,854	32,788
7) Other	40,277	50,254
Total intangible assets	72,131	83,042
II – Tangible fixed assets		
1) land and buildings	14,107,441	14,430,906
2) plant and machinery	137,146	172,682
4) other assets	12,406	20,948
5) assets under construction and advance payments	3,165,338	2,978,002
Total tangible fixed assets	17,422,331	17,602,538
III - Financial fixed assets		
1) shareholdings in		
a) subsidiaries		883,258
b) associated companies		4,724,955
d-bis) other companies	2,440,841	2,554,446
Total equity investments	2,440,841	8,162,659
2) receivables		
b) receivables from associated companies		
due beyond the next financial year		1,000,000
Total receivables from associated companies		1,000,000
d-bis) from other parties		
due after the next financial year		9,000
Total receivables from others		9,000
Total receivables		1,009,000
Total financial fixed assets	2,440,841	9,171,659
Total fixed assets (B)	1G.G35,303	26,857,23G
C) Current assets		
II – Receivables		
1) trade receivables		
due within the next financial year	189,625	177,192
Total trade receivables	189,625	177,192
2) from subsidiaries		
due within the next financial year		17,727
Total receivables from subsidiaries		17,727
3) receivables from associated companies		
due within the next financial year		894,638
Total receivables from associated companies		894,638
5-bis) tax receivables		
due within the next financial year	152,143	166,132
due beyond the next financial year		13,162
Total tax receivables	152,143	179,294
5-ter) deferred tax assets		33,696
5-quater) due from others		
payable within the next financial year	7,090	5,727
Total receivables from others	7,090	5,727
Total receivables	348,858	1,308,274
IV - Cash and cash equivalents		
1) bank and postal deposits	13,466,132	4,721,358
3) cash and valuables on hand		114
Total cash and cash equivalents	13,466,132	4,721,472
Total current assets (C)	13,814.GG0	6,02G,746
D) Accruals and deferrals	35,172	72,873
Total assets	33,785,465	32,G5G,858

	31 December 2025	31 December 2024
Balance sheet		
Liabilities		
A) Equity		
I – Share capital	12,000,000	12,000,000
III – Revaluation reserves	7,422,664	17,608,160
IV – Statutory reserve	749,588	749,588
VI – Other reserves, shown separately		
Extraordinary reserve	30,997	30,997
Revaluation reserve for equity investments	11,107,312	11,107,312
Merger surplus reserve	1	1
Miscellaneous other reserves	696,873	696,873
Total other reserves	11,835,183	11,835,183
IX – Profit (loss) for the financial year	1,081,505	(10,185,496)
Total equity	33,088,640	32,007,435
B) Provisions for risks and charges		
2) for taxes, including deferred taxes	11,223	17,125
4) other	117,375	130,000
Total provisions for risks and charges	128,598	147,125
D) Liabilities		
6) advance payments		
due within the following financial year	40,000	
Total advance payments	40,000	
7) trade payables		
payable within the next financial year	121,524	451,229
Total trade payables	121,524	451,229
10) payables to associated companies		
due within the next financial year		48,959
Total payables to associated companies		48,959
12) tax liabilities		
due within the next financial year	172,090	165,941
Total tax liabilities	172,090	165,941
13) Liabilities to pension and social security institutions		
due within the next financial year	12,454	12,174
Total liabilities to pension and social security institutions	12,454	12,174
14) Other liabilities		
due within the next financial year	103,310	104,359
payable beyond the next financial year	92,400	
Total other payables	195,710	104,359
Total liabilities	541,778	782,662
E) Accruals and deferrals	26,146	22,636
Total liabilities	33,785,465	32,655,858

	31 December 2025	31 December 2024
Profit and loss account		
A) Value of production		
1) Revenue from sales and services	399,134	33,336
5) Other revenue and income		
operating grants	63,659	50,584
Other	252,985	1,176,455
Total other revenue and income	316,644	1,227,039
Total value of production	715,778	1,260,375
B) Production costs		
6) for raw materials, ancillary materials, consumables and goods	5,609	7,978
7) for services	773,699	928,011
8) for the use of third parties' assets	44,674	49,959
10) depreciation, amortisation and write-downs		
a) amortisation of intangible fixed assets	10,911	10,911
b) depreciation of tangible fixed assets	367,542	380,093
c) other write-downs of fixed assets		9,150,315
Total depreciation and write-downs	378,453	9,541,319
13) Other provisions		130,000
14) Miscellaneous operating expenses	172,220	167,620
Total production costs	1,374,655	10,824,887
Difference between value and production costs (A – B)	(658,877)	(G,564,512)
C) Financial income and expenses		
15) income from shareholdings		
from subsidiaries	16,742	
from associated companies	1,930,100	
other	13,974	17,690
Total income from equity investments	1,960,816	17,690
16) Other financial income		
a) from receivables recorded under fixed assets		
from associated companies	15,671	
Total financial income from receivables recorded under fixed assets	15,671	
b) from securities classified as non-current assets that do not constitute equity investments		17,650
c) from securities classified as current assets that do not constitute equity investments		234,392
d) income other than the above		
other	45,861	98,478
Total income other than the above	45,861	98,478
Total other financial income	61,532	350,520
17) Interest and other financial expenses		
Other	18,613	19,016
Total interest and other financial expenses	18,613	19,016
Total financial income and expenses (15 + 16 - 17 + - 17-bis)	2,003,735	34G.164
D) Value adjustments to financial assets and liabilities		
18) revaluations		
a) of equity investments		31,902
Total revaluations		31,902
19) write-downs		
a) of equity investments	110,606	900,991
Total write-downs	110,606	900,991
Total value adjustments to financial assets and liabilities (18 - 19)	(110,606)	(869,089)
Profit before tax (A - B + - C + - D)	1,234,252	(10,084,407)
20) Income tax for the year: current, deferred and prepaid		
current tax	124,953	79,554
deferred and prepaid tax	27,794	21,535
Total income tax for the year, comprising current, deferred and prepaid tax	152,747	101.08G
21) Profit (loss) for the year	1,081,505	(10,185.4G6)

List of properties

LIST OF REAL ESTATE ASSETS SHOWING REVALUATIONS CARRIED OUT AS AT 31/12/2025 – Law No. 72 of 1G/03/1G83, Article 10.

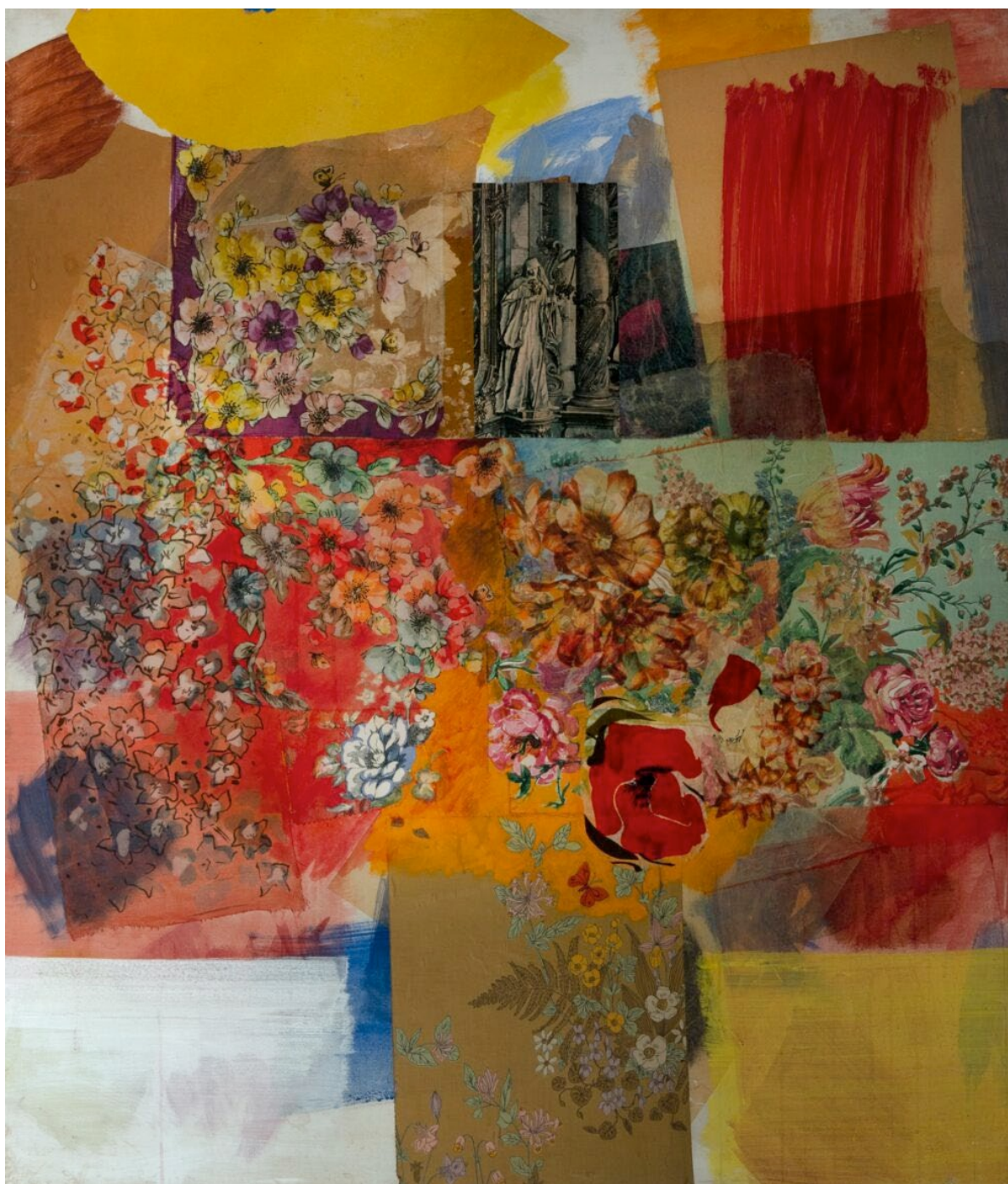
Description	Historical cost	Revaluation under Law 576/75	Revaluation under Law 72/83	Revaluation under Law 413/G1	Revised from F.T.A. IAS 1 January 2005	Total properties as at 31/12/2025	of which land value as at 31/12/2025	of which value of the building as at 31/12/2025	Accumulated depreciation as at 31/12/2025	Carrying amount as at 31/12/2025
Barberino V.E., Piazza Capocchini, 21/23 – Branch	148,309	0	0	0	475,968	624,277	0	624,277	477,572	146,705
Castelfiorentino, Via Cerbioni - Archive 1	642,111	0	0	0	227,844	86G.G55	185,000	684,955	534,839	335,116
Castelfiorentino, Via Cerbioni - Archive 2	497,075	0	0	0	98,101	5G5,176	150,000	445,176	297,525	2G7,651
Castelfiorentino, Via Gozzoli, 45 – Branch	1,004,113	0	0	0	1,013	1,005,126	250,000	755,126	486,331	518.7G4
Castelfiorentino, Via Piave - Head office	13,938,824	10,641	10,641	106,016	3,598,015	17,664,136	2,888,620	14,775,516	5,760,287	11.G03.84G
Castelfiorentino, Via Piave/Via Veneto – Head Office	1,439,322	0	0	0	0	1,43G,322	146,400	1,292,922	270,272	1.16G.050
Cerreto Guidi, Via V. Veneto, 59 – Branch	510,786	0	0	0	216,286	727,072	0	727,072	443,181	283.8G1
Empoli, Via Cappuccini, 4 - Branch	68,971	0	0	0	156,468	225.43G	0	225,439	172,465	52.G74
Empoli, Via Chiarugi, 4 – Branch	4,624,254	0	0	0	2,747,576	7,371,830	2,000,000	5,371,830	4,724,754	2,647,076
Florence, Via Maggio – Branch	1,584,726	0	0	0	0	1,584,726	0	1,584,726	637,621	G47.105
Florence, Via Varchi, 2/4 – Head Office	12,146,991	0	0	0	0	12,146.GG1	1,222,000	10,924,991	3,585,107	8,561,884
Fucecchio, Piazza Montanelli - Branch	4,880,190	0	0	0	0	4,880.1G0	900,000	3,980,190	1,558,017	3,322,173
Gambassi Terme, Via Garibaldi, 18 – Branch	156,805	1,033	44,196	3,352	336,003	541.38G	0	541,389	439,895	101.4G4
Gambassi Terme, Via Volta, 19/21 - Archive 3	1,723,216	0	0	0	0	1,723,216	552,655	1,170,561	574,260	1,148.G56
Greve in Chianti, Piazza Matteotti – Branch	845,729	0	0	0	0	845.72G	73,200	772,529	226,566	61G.163
Montespertoli, Via Romita 105 - Branch	255,758	0	0	0	0	255,758	0	255,758	98,173	157,585
Poggibonsi, Via S. Gimignano, 24/26 – Branch	2,260,821	0	0	0	710,082	2.G70.G03	935,000	2,035,903	1,742,989	1,227.G14
San Miniato, Via Tosco Romagnola – Branch	271,697	0	0	0	0	271.6G7	50,193	221,504	73,128	1G8.56G
Total	46.GGG.6GG	11,673	54,837	10G.367	8,567,356	55,742.G32	G.353.06G	46,38G.863	22,102.G81	33,63G.G50

Statutory audit fees

In accordance with the provisions of Article 2427, paragraph 1, point 16-bis of the Civil Code, the fees contractually agreed for the financial year 2025 with the Audit Firm for the statutory audit of the accounts and for the provision of other services rendered to the Bank are summarised below.

The amounts are exclusive of VAT and expenses.

Type of services	Entity providing the service: audit firm / statutory auditor	Total fees (in euros)
A) Statutory audit	Deloitte C Touche s.p.a.	9,883
B) Assurance services	Deloitte C Touche s.p.a.	5,000
C) Tax advisory services		0
D) Other services	Deloitte C Touche S.p.A.	19,619
Total fees		G4,502



TANCREDI PARMEGGIANI (1927–1964),
“Cycle of Village Diaries”, 1961
tempera and collage on canvas 140 x 120 cm
*Bank's collection; on
permanent display at the Cambio Cultural Centre, CASTELFIORENTINO*